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ABSTRACT

This report presents representative findings from the Youth Employment and Demonstration Project Act's (YEDPA) experiments and evaluations since 1977, focusing largely on the programs' impacts on participants. The report begins with a review of YEDPA-sponsored research on the nature, causes, and consequences of youth unemployment. Chapter 2 deals directly with CETA's formula-funded titles and asks whether the CETA system overall has worked for disadvantaged youngsters. Chapter 3 examines Federal efforts to help youth through intensive skill-training, and Chapters 4 and 5 cover work experience for out-of-school youth and in-school youth, respectively. Chapter 6 deals with efforts to help youth in the summer; Chapter 7 reviews efforts to assist disadvantaged youth through counseling with intensive placement, self-directed job search assistance, and school-to-work transition programs; and Chapter 8 synthesizes the evidence on work attitudes and knowledge areas. Chapter 9 considers the demand-side of the labor market by reviewing job creation strategies for youth. Finally, Chapter 10 reviews efforts to help poor youth through new institutional arrangements with the private sector, schools, and community groups. (Author/CMG)

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THE CETA YOUTH EMPLOYMENT RECORD

Representative Findings on The Effectiveness of Federal Strategies for Assisting Disadvantaged Youth

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INTRODUCTION

Overview of the Report

What policies and programs work best in dealing with the chronic problems of high youth unemployment? In 1977 Congress passed the Youth Employment and Demonstration Project Act (YEDPA), an amendment to the Comprehensive Employment and Training Act (CETA) charged with learning "what works best, for whom" about youth joblessness. As a result of the large-scale program demonstrations and research, many questions concerning the unemployment problems of the nation's youth are better understood today. While research may never answer all questions dealing with youth unemployment, it does provide a framework for workable solutions to a problem whose human costs are frequently hidden to most Americans.

This report presents selected findings from some of the federal demonstration projects but is not a comprehensive review. The programs are reviewed for reliable lessons that make sense today, as the newly enacted Job Training Partnership Act begins to be implemented, and basic decisions are made for allocating the funds JTPA earmarks for youth. Two types of lessons are explored throughout the report. First, project outcomes are presented as they relate to improving the qualifications of disadvantaged youth. These outcomes relate to the program choices that program operators under JTPA now face. The second group of lessons concerns the relationships among the key institutions in the youth-serving system.

There is little question that after years of experience under the Youth Employment and Demonstrations Project Act (YEDPA) of 1977, many important questions concerning the unemployment problems of the nation's youth and the effectiveness of programs to address those problems have been answered. YEDPA expanded and coordinated programs of career development with employment and training opportunities. It was designed to help ease youth into the labor force after successful attainment of pre-employment, education or job-training skills and to sustain their success in the world of work.

YEDPA created four new youth programs:

- The Youth Employment and Training Programs (YETP) offering a variety of training and support services, such as apprenticeship, education toward a GED certificate, labor market orientation, and work experience.
- The Youth Community Conservation and Improvement Projects (YCCIP) designed to prepare youth for vocations through well-supervised tangible work in local economic development projects.
- The Youth Incentive Entitlement Pilot Projects (YIEPP) which allowed 18 prime sponsors to assure youths who were willing to return to school or complete high school access to a subsidized job at the minimum wage part-time after school or full time in the summers.
- The Youth Adult Conservation Corps (YACC) which provided participants with vocational skills through productive work, largely on government lands.

YACC was open to all unemployed youth (16 to 23); YIEPP restricted its services to poor youth (16 to 19); YCCIP to out-of-school unemployed 16-19 year olds with no formal income criteria; YETP to economically disadvantaged, unemployed youth (16 to 21), both in and out of school. YEDPA also authorized expansion of Job Corps as well as improvements in the Summer Youth Employment Program (SYEP) for 14-21 year old economically disadvantaged youth.

As noted, the explicit legislative objective of the 1977 youth employment amendment to CETA, YEDPA, was to experiment with new approaches to the problem of youth unemployment through an ambitious array of approximately 80 demonstration projects, as well as through the Youth Incentive Entitlement Pilot Projects. Congressional debates over the passage of YEDPA revealed a consensus about the need to learn which approaches worked best in dealing with the labor market problems of youth. Within the new context of experimentation, Congress mandated that YEDPA demonstrations target employment and training resources to low income youth through innovative linkages with traditional sectors--the schools, private industry, unions, and community groups.

The size of the "knowledge development" investment associated with YEDPA in FY 1978-1979 was about one half billion dollars, spent on basic research, national demonstration projects, technical assistance, and evaluation or assessment activities. Clearly, YEDPA funded an unprecedented collection of social experiments undertaken on a single issue of public concern. The one demonstration mandated by Congress--the Youth Incentive Entitlement Pilot Projects--accounted for nearly half of all YEDPA discretionary spending. Overall, the funds for these demonstrations and associated assessments were distributed throughout the CETA prime sponsor system as well as to business, labor, education, and community groups. While YEDPA financed a major research and demonstration effort, less than 5 percent of YEDPA funding went for research, evaluation, and technical assistance. The rest of the funds were for the action demonstrations serving low income youth.

YEDPA programs served large numbers of youth since their inception in 1977. The National Longitudinal Survey (NLS) shows, for example, that between January 1978 and spring 1979, 2.5 million youths (6.9 percent of all youths) reported involvement in a CETA youth program. The rate of participation was 17 percent for black youth and 12 percent for Hispanics. Employment in CETA programs during the NLS study accounted for 14 percent of all jobs held by 16 to 19 year old black youth. In 1978, 44 percent of black youth aged 14 to 19 who held a job that year had been enrolled in a federal employment program.*

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* Borus, M., et al. (1980) Pathways to the Future: A Longitudinal Study of Young Americans. Ohio State University, Center for Human Resource Research, January.

Our report presents representative findings from YEDPA's experiments and evaluations since 1977. At this writing, nearly 50 separate volumes have been printed as part of the Department of Labor's former Office of Youth Programs (OYP) "knowledge development" effort. Dozens of unpublished reports submitted to the U.S. Department of Labor were collected and reviewed by this project for the Department of Labor. A single report can only highlight the significant findings from the Demonstration Act.* We define significance in terms of the reliability of the research reviewed and the importance of the policies addressed by the findings. Since many of the demonstrations operated for only a short time or were prematurely terminated by federal authorities, studies of the post-program impacts of several demonstrations are not available. Moreover, most available data on the post-program experience of participants are limited to less than one year, again because long-term follow-up studies were cancelled in the transition from CETA to the new Jobs Training Partnership Act. Finally, although many studies are available on the process of implementing the youth initiatives--implementation hurdles, the creation of new delivery mechanisms, and program linkages--this review focuses largely on the impacts on participants.

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* Few publications are available that draw cross-cutting lessons from the various YEDPA discretionary projects. See "Taking Stock of YEDPA--The Federal Youth Employment Initiatives," Part I, by Andrew B. Hahn, Youth and Society, Sage Publications, December 1979, and "Making Sense of YEDPA--What Did We Learn?" Part II in Youth and Society, December 1980 by the same author. See also: Butler and Darr in Knowledge Development Report 3.19 (GPO, Washington, D.C.); Taggart in Knowledge Development Report 2.4 and 3.12. For guides to funding associated with the DOL Knowledge Development strategy, see Knowledge Development Report 1.1, 1.2 and 1.3. For abstracts of youth employment research findings, see back issues Youth Programs, a publication of the Center for Employment and Income Studies, Brandeis University, Waltham, Massachusetts. Brandeis University maintains an extensive youth employment library and serves as a clearinghouse of information on effective youth programs.

The report begins with a review of YEDPA-sponsored research on the nature, causes, and consequences of youth unemployment. Chapter 2 asks whether the CETA system overall worked for disadvantaged youngsters. This is the only chapter dealing directly with CETA's formula-funded titles and serves as a prelude to the remaining chapters covering the federal demonstrations. Chapter 3 examines efforts to help youth through intensive skill training; Chapter 4 covers work experience for out-of-school youth; Chapter 5 work experience for in-school youth; Chapter 6 efforts to help youth in the summer; Chapter 7 reviews efforts to assist disadvantaged youth through counseling with intensive placement, self-directed job search assistance, and school-to-work transition programs. Chapter 8 is a synthesis of the evidence on work attitudes and knowledge areas. Chapter 9 considers the demand-side of the labor market by reviewing job creation strategies for youth. The last chapter (10) reviews efforts to help poor youth through new institutional arrangements with the private sector, schools and community groups.

CHAPTER 1 - THE YOUTH EMPLOYMENT PROBLEM

1.0 Introduction

How young people find work and prepare for careers has long preoccupied families, public officials, educators, and employers. Early in the century, reformers battled to ban child labor in the factories and mines so that the nation's youth would attend school instead of working at dangerous and low wage jobs. Today, the concern with education remains, but public perceptions about jobholding by young people have shifted. The old fears that too many employers would hire youth have been replaced by worries about the scarcity of jobs for youth. The current concern is how best to provide enough work for all the young people that want jobs.

The youth unemployment problem is not new. Teenage unemployment rates have far exceeded adult rates since the collection of unemployment data began. In recent years, the gap between youth and adult unemployment has widened sharply. During the early 1960's, teenage unemployment rates were nearly 3 times the unemployment rates of adult males. By the early 1980's, unemployment rates of teenagers rose above 20 percent, or 4 times adult male rates.

The chronically high and increasing youth joblessness attracted close attention from researchers and government leaders. In 1965, President Johnson made youth unemployment and youth education problems the special focus of his War on Poverty. Twelve years later, the Congress faced an apparently worse youth employment problem as well as a dearth of sensible strategies for solving the problem. Its response was to pass the Youth Employment Demonstration Projects Act (YEDPA), which raised funding for youth employment and training programs and authorized a large research and demonstration effort on youth employment problems and potential solutions. The purpose of this report is to summarize the lessons of this research.

The bulk of the report examines what was learned concerning the effectiveness of alternative types of youth employment and training programs. Nearly all the YEDPA budget for research and development supported demonstration projects and evaluations dealing with alternative approaches to helping disadvantaged youth.

As a prelude to the summary of the evidence about program alternatives, this chapter reviews briefly what is known about the nature of the youth employment problem. One section describes the current high unemployment rates of youth in general and minority youth in particular. Another section examines research results on the causes of the youth employment problem. The emphasis is on the concentrated aspect of the problem. A third section describes the youth population in general and the transitions young people make into adulthood.

2.0 An Overview of Today's Youth Employment Situation

The national economy's recession commands the attention of policymakers. Yet, even were a sustainable upturn to take place over the next few years, a chronic and serious employment problem involving a subset of the youth population would remain. This section examines the latest youth employment and unemployment figures, examines briefly the employment trends, and points to the increasingly concentrated nature of the youth employment problem. It is the segment of black and low income youth with severe and long-term labor market problems that will continue to be the focus of public policy interventions.

The deep recession of 1981-82 dramatically worsened employment opportunities for youth and adult workers. With national unemployment rates reaching postwar highs in late 1982, the record joblessness among youth was no surprise. Moreover, as in other recessions, the decline in share of the population employed was sharply higher among youth than the reduction among adults. At the same time, because of the drop in the youth population over this period, young people (16-24 year-olds) accounted for a lower share of the unemployed in mid-1983 (39 percent) than in mid-1980 (46 percent).

The data in Table 1-1 and Figures 1-2 highlight the sharp increases in youth unemployment rates and decreases in youth employment-population ratios over the last three years. Of every one hundred teenagers, 5 fewer had jobs in mid-1983 than in mid-1980. Although black and white youth both experienced substantial increases in unemployment rate, the rise was especially severe for black men. Their unemployment rate jumped from 34 percent in the second quarter of 1980 (1980:II) to 50.8 percent in 1983:II. Overall, the decreases in teen employment-population ratios over the last three years was unprecedented. In no other period of economic recovery since the end of World War I did teenage employment fail to grow.

In the 1979-1982 period, the losses in employment for young people were very great. Figure 3 presents data on the percentage change in employed persons working full-time by age and sex between the fourth quarter 1979 and 1982. The worsening job outlook of youth during the early 1980's resulted from the cyclical downturn as well as the secular trend toward rising youth and adult unemployment. Between the 1950's and the 1980's, youth as well as overall unemployment rates moved higher after each successive peak of the business cycle. In 1957 and in 1979, white 35-44 year-old men had a 2.5 percent unemployment rate. Yet, youth unemployment rates were clearly higher in 1979 than in 1957; unemployment rates rose from 10.9 to 14.7 among 18-19 year-olds and from 7.1 to 9.1 among 20-24 year olds.

Still, until the recent recession, youth as a whole did not encounter

TABLE 1-1

Employment status of the civilian noninstitutional population by race, sex, age, and Hispanic origin, seasonally adjusted

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	1980			1981				1982				1983	
	II	III	IV	I	II	III	IV	I	II	III	IV	I	II
WHITE													
Civilian noninstitutional population[1]	145,855	146,439	146,889	147,148	147,671	148,164	148,650	148,943	149,309	149,586	149,927	150,233	150,666
Civilian labor force	93,519	93,689	94,016	94,648	95,188	94,986	95,422	95,450	96,170	96,467	96,679	96,053	96,633
Percent of population	64.1	64.0	64.0	64.3	64.5	64.1	64.2	64.1	64.4	64.5	64.5	63.9	64.1
Employed	87,463	87,312	87,874	88,455	89,021	88,889	88,471	88,064	88,150	87,957	87,452	87,328	88,122
Employment-population ratio[2]	60.0	59.6	59.8	60.1	60.3	60.0	59.5	59.1	59.0	58.8	58.3	58.1	58.5
Unemployed	6,057	6,377	6,142	6,193	6,167	6,096	6,951	7,386	8,020	8,509	9,227	8,725	8,511
Unemployment rate	6.5	6.8	6.5	6.5	6.5	6.4	7.3	7.7	8.3	8.8	9.5	9.1	8.8
Men, 20 years and over													
Civilian labor force	50,046	50,131	50,279	50,432	50,730	50,676	50,869	50,889	51,207	51,343	51,531	51,133	51,606
Percent of population	80.0	79.7	79.7	79.7	79.8	79.3	79.3	79.1	79.3	79.3	79.3	78.4	78.8
Employed	47,270	47,161	47,500	47,697	48,014	48,006	47,664	47,438	47,375	47,145	46,882	46,772	47,303
Employment-population ratio[2]	75.6	75.0	75.3	75.4	75.5	75.2	74.3	73.7	73.4	72.8	72.2	71.7	72.2
Unemployed	2,776	2,970	2,779	2,735	2,716	2,669	3,205	3,452	3,833	4,198	4,648	4,361	4,303
Unemployment rate	5.5	5.9	5.5	5.4	5.4	5.3	6.3	6.8	7.5	8.2	9.0	8.5	8.3
Women, 20 years and over													
Civilian labor force	35,134	35,292	35,544	36,025	36,432	36,426	36,797	36,923	37,357	37,695	37,743	37,630	37,837
Percent of population	50.6	50.6	50.8	51.3	51.7	51.4	51.7	51.7	52.2	52.5	52.4	52.1	52.2
Employed	33,172	33,243	33,486	33,948	34,342	34,319	34,493	34,476	34,689	34,927	34,753	34,751	35,073
Employment-population ratio[2]	47.8	47.7	47.8	48.3	48.7	48.5	48.5	48.3	48.4	48.6	48.2	48.1	48.4
Unemployed	1,961	2,049	2,057	2,077	2,091	2,107	2,304	2,448	2,668	2,768	2,990	2,880	2,763
Unemployment rate	5.6	5.8	5.8	5.8	5.7	5.8	6.3	6.6	7.1	7.3	7.9	7.7	7.3
Both sexes, 16 to 19 years													
Civilian labor force	8,340	8,267	8,193	8,190	8,025	7,884	7,756	7,637	7,606	7,429	7,405	7,290	7,190
Percent of population	60.0	59.7	59.6	60.0	59.1	58.5	58.0	57.7	57.9	57.1	57.3	56.9	56.6
Employed	7,020	6,909	6,887	6,810	6,665	6,564	6,314	6,150	6,086	5,885	5,816	5,805	5,746
Employment-population ratio[2]	50.5	49.9	50.1	49.9	49.1	48.7	47.3	46.5	46.3	45.2	45.0	45.3	45.3
Unemployed	1,320	1,358	1,306	1,380	1,360	1,320	1,441	1,487	1,520	1,544	1,589	1,485	1,444
Unemployment rate	15.8	16.4	15.9	16.9	17.0	16.7	18.6	19.5	20.0	20.8	21.5	20.4	20.1
Men	16.6	17.4	17.1	17.8	17.5	17.1	19.2	20.5	21.3	22.4	22.8	21.7	20.6
Women	14.9	15.3	14.7	15.8	16.4	16.4	17.8	18.4	18.5	19.0	20.0	18.9	19.6
BLACK													
Civilian noninstitutional population[1]	17,769	17,884	17,977	18,076	18,171	18,268	18,363	18,450	18,541	18,628	18,719	18,796	18,881
Civilian labor force	10,821	10,933	10,968	11,001	11,104	11,041	11,204	11,210	11,262	11,395	11,465	11,548	11,696
Percent of population	60.9	61.1	61.0	60.9	61.1	60.4	61.0	60.8	60.7	61.2	61.2	61.4	61.9
Employed	9,271	9,298	9,317	9,385	9,425	9,297	9,314	9,255	9,172	9,201	9,129	9,224	9,277
Employment-population ratio[2]	52.2	52.0	51.8	51.9	51.9	50.9	50.7	50.2	49.5	49.4	48.8	49.1	49.1
Unemployed	1,550	1,635	1,651	1,616	1,679	1,744	1,891	1,956	2,090	2,194	2,336	2,324	2,419
Unemployment rate	14.3	15.0	15.1	14.7	15.1	15.8	16.9	17.4	18.6	19.3	20.4	20.1	20.7
Men, 20 years and over													
Civilian labor force	5,116	5,181	5,152	5,164	5,225	5,230	5,281	5,295	5,353	5,380	5,454	5,446	5,550
Percent of population	75.1	75.6	74.7	74.4	74.8	74.4	74.6	74.4	74.7	74.7	75.2	74.7	75.7
Employed	4,467	4,462	4,503	4,549	4,544	4,517	4,469	4,439	4,436	4,406	4,375	4,408	4,452
Employment-population ratio[2]	65.6	65.1	65.3	65.5	65.1	64.3	63.1	62.3	61.9	61.2	60.3	60.5	60.7
Unemployed	649	719	648	615	681	713	811	856	917	973	1,078	1,038	1,098
Unemployment rate	12.7	13.9	12.6	11.9	13.0	13.6	15.4	16.2	17.1	18.1	19.8	19.1	19.8
Women, 20 years and over													
Civilian labor force	4,815	4,858	4,927	4,948	4,988	4,995	5,071	5,086	5,115	5,176	5,178	5,333	5,299
Percent of population	55.5	55.6	56.1	56.0	56.1	55.8	56.3	56.1	56.1	56.4	56.1	57.6	56.9
Employed	4,241	4,296	4,276	4,300	4,337	4,312	4,369	4,351	4,335	4,372	4,329	4,392	4,396
Employment-population ratio[2]	48.9	49.2	48.7	48.6	48.8	48.2	48.5	48.0	47.5	47.7	46.9	47.4	47.2
Unemployed	574	562	651	648	651	683	701	735	780	804	849	941	903
Unemployment rate	11.9	11.6	13.2	13.1	13.1	13.7	13.8	14.5	15.2	15.5	16.4	17.6	17.0

See footnotes at end of table.

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TABLE 1-1 (continued)

Employment status of the civilian noninstitutional population by race, sex, age, and Hispanic origin, seasonally adjusted—Continued

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	1980			1981				1982				1983	
	II	III	IV	I	II	III	IV	I	II	III	IV	I	II
BLACK—Continued													
Both sexes, 16 to 19 years													
Civilian labor force	890	895	890	889	891	816	853	829	794	838	834	769	847
Percent of population	38.9	39.0	38.8	38.7	38.9	35.7	37.5	38.6	35.2	37.3	37.2	34.2	37.9
Employed	564	541	538	536	544	468	475	465	401	421	425	424	430
Employment-population ratio²	24.6	23.6	23.5	23.3	23.7	20.5	20.9	20.5	17.8	18.8	19.0	18.9	19.2
Unemployed	326	354	352	353	347	348	378	365	393	417	408	345	418
Unemployment rate	36.7	39.6	39.6	39.7	39.0	42.6	44.3	44.0	49.5	49.7	49.0	44.9	49.3
Men	34.0	39.6	39.9	39.2	39.3	43.1	41.4	42.7	51.1	50.2	51.6	45.2	50.8
Women	39.7	39.6	39.1	40.4	38.6	42.1	47.5	45.4	47.7	49.2	46.1	44.4	47.6
HISPANIC ORIGIN													
Civilian noninstitutional population¹	8,833	9,144	9,132	9,113	9,199	9,383	9,545	9,348	9,320	9,558	9,377	9,416	9,717
Civilian labor force	5,648	5,785	5,844	5,925	5,937	5,928	6,097	6,038	5,978	5,993	5,931	6,016	6,209
Percent of population	63.9	63.3	64.0	65.0	64.5	63.2	63.9	64.6	64.1	62.7	63.3	63.9	63.9
Employed	5,076	5,153	5,250	5,273	5,352	5,346	5,421	5,292	5,183	5,132	5,028	5,061	5,334
Employment-population ratio²	114.9	112.7	115.0	115.7	116.4	113.9	113.6	113.2	111.2	107.4	107.2	107.5	109.8
Unemployed	572	632	594	651	584	582	676	746	796	861	903	955	875
Unemployment rate	10.1	10.9	10.2	11.0	9.8	9.8	11.1	12.4	13.3	14.4	15.2	15.9	14.1

[1] The population figures are not adjusted for seasonal variation.

[2] Civilian employment as a percent of the civilian noninstitutional population.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Source: Employment and Earnings, July 1983, U.S. Department of Labor, Bureau of Labor Statistics, Washington, DC, Table A-43.

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FIGURE 1

Annual unemployment rate for youth (both sexes) aged 16–19 from 1977–82

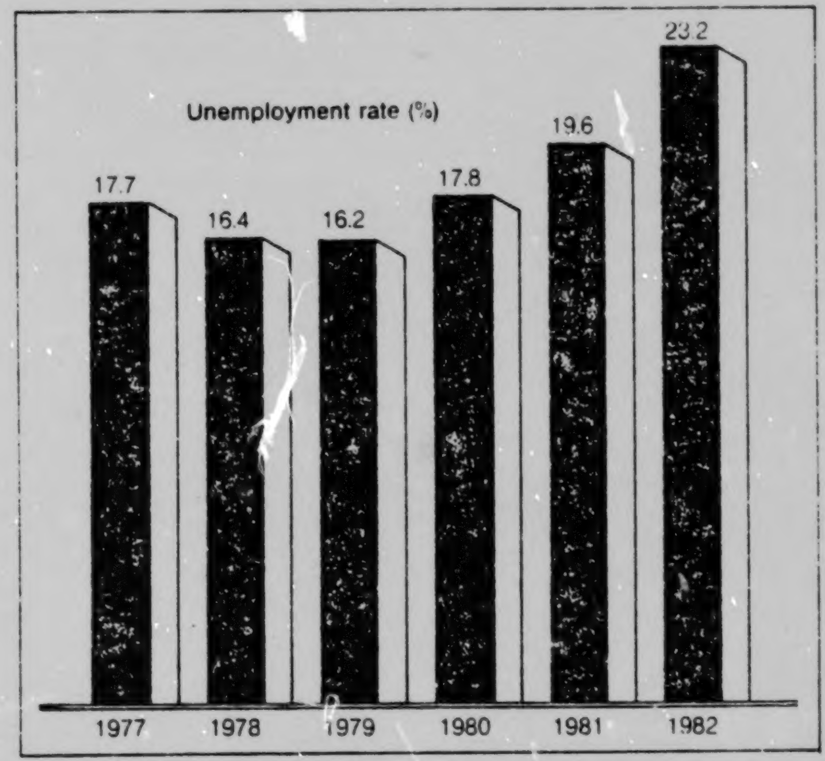

FIGURE 2

Unemployment rates for teenagers (16–19) by race, 1955–81

	White	Black and other
1955	10.3	15.8
1956	10.2	18.2
1956	10.2	18.2
1957	10.6	19.1
1958	14.4	27.4
1959	13.1	26.1
1960	13.4	24.4
1961	15.3	27.6
1962	13.3	25.1
1963	15.5	30.4
1964	14.8	27.2
1965	13.4	26.2
1966	11.2	25.4
1967	11.0	26.5
1968	11.0	25.0
1969	10.7	24.0
1970	13.5	29.1
1971	15.1	31.6
1972	14.2	33.4
1973	12.6	30.2
1974	14.0	32.8
1975	17.9	36.7
1976	16.9	36.7
1977	15.4	37.9
1978	13.9	35.9
1979	14.0	33.2
1980	15.5	35.4
1981	17.3	37.8

Source: *Employment and Training Report of the President (1982)*

FIGURE 3

Employed persons on full-time work schedules by age and sex, 1979–82 (fourth quarter)

Total	Absolute change (000)	Percent change
16–19	−1,310	−41.1
16–17	− 264	−61.0
18–19	−1,049	−38.0
20–24	−1,942	−17.4
25–54	+1,267	+ 2.3
55+	− 527	− 4.7
Male		
16–19	− 756	−41.7
20–24	− 808	−12.8
25–54	− 153	− 0.4
55+	− 480	− 6.4
Female		
16–19	− 554	−40.3
20–24	− 434	− 8.9
25–54	+1,420	+ 7.2
55+	− 46	− 1.2

Source: *Current Population Survey*. These data will appear in "The Deteriorating Employment Situation Among American Teens," by Andrew Sum and Paul Simpson, Northeastern University, 1983.

trends that were any more negative than adult workers. In fact, the economy showed surprising flexibility in absorbing the massive inflow of the baby-boom generation entering the labor force. The population of 15-24 year-olds jumped from about 14 percent to nearly 20 percent of the total population between 1960 and 1980. Over this same period, the employed share of youth increased. Young women moved into jobs at a particularly rapid rate.

Jobholding become more prevalent in 1979 than in the late 1950's among young white women, young white men and even among black young women. The rising labor force participation rates meant that employment gains did not translate into declining unemployment rates. Among black young women, the increase in the share holding jobs was too low to prevent a large increase in unemployment rates.

Black young men faced the largest, most serious worsening in employment. The employed share of 16-24 year-old black men fell from about 62 percent in the late 1950's to about 48 percent in the late 1970's. At the same time, the share of employed white young men increased by 3-4 percentage points to about 68 percent.

The widening racial gaps represent one of several indicators showing the concentrated nature of the youth employment problem. It has become increasingly clear that the typical unemployed young person generally has been facing long-term, rather than short amounts of unemployment. Studies in the late 1970's demonstrated that only a small share of young people experienced most of the unemployment. For example, in 1977, youth with 15 or more weeks of unemployment over the year accounted for over 70 percent of youth unemployment. The average number of weeks of unemployment among this group was 30 weeks over the year. Among black males, 16-24, those unable to find any job accounted for one-third of total unemployment. At the same time, most young workers

(70 percent of whites and almost 60 percent of blacks) did not bear even one week of unemployment over the entire year.*

Among young black men, the concentration of unemployment actually became more serious over the 1967-77 period. Of those 16-24 year-old black young men who worked, the number of weeks worked over the year remained virtually constant. However, a significant increase took place in the percentage not working at all over the year. The share of nonworkers jumped from 31 to 53 percent among 16-19 year-olds and from 14 to 24 percent among 20-24 year-olds.

Further evidence of increasing concentration comes from data on black-white earnings differentials. While a rising share of black young men reported not working over an entire year, those who did work gained relative to white youth in weekly earnings. Between 1967 and 1977, the ratio of black to white levels of earnings per week rose from .77 to .93 among 20-24 year-old men and from .87 to .98 among 20-24 year-old women. (Weekly earnings of teenagers did not differ by race in either year.)

Thus, even within the black youth population, the labor market difficulties are increasingly the result of serious problems facing a few as opposed to moderate problems facing the many.

What makes these trends especially troubling is the evidence that young people with the most serious labor market difficulties do not necessarily age out of their problem. High school dropouts, who suffer substantially higher unemployment rates than high school graduates, do not escape high unemployment rates and low earnings through their late 20's and early 30's.**

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* See, for example, Lerman (1980).

**See The Youth Employment Problem--Dimensions, Causes and Consequences, NBER (1980)

The early failures in the labor market may well lie behind the declining family stability, rising crime rates, and chronic poverty that are indicators of what some have called an underclass that is increasingly difficult to reach with public policies. The declining youth population and the cyclical upturn are unlikely to reverse these patterns. Instead, the best hope is to identify the most promising approaches and most effective program models for intervening when or even before the youth's labor market problems develop into serious long-term obstacles to job stability.

Before turning to the discussion of the experience with alternative program strategies, it is worthwhile to highlight the evidence concerning the causes of the rising unemployment.

Until recently, U.S. policymakers could look to Western Europe and Japan to demonstrate that low youth employment could be achieved in a modern, industrial economy. In 1970, teenage unemployment rates were 4 percent or below in Australia, Germany, and Sweden; 7 percent in France and Great Britain; and over 15 percent in the U.S. Unfortunately, the slow economic growth of the 1970's spread high unemployment throughout the industrialized world. Young people often faced the most severe increases in joblessness. By the late 1970's, unemployment rates of 16-24 year-olds had reached 14 percent in Britain and France while adult unemployment rates had not gone above 5 percent. In Italy, unemployment of 20-24 year-olds jumped from under 6 percent to nearly 16 percent between 1964 and 1979; over the same period, adult unemployment rates rose from only 1.5 to 2 percent. Only Germany, Japan, and Sweden were able to avoid the sharp increases in youth unemployment experienced in the rest of the industrialized world. As of 1979, youth unemployment rates were up only to the 4 to 5 percent range.

The experience throughout the industrial world makes clear that a nation's youth unemployment level depends on the state of its economy as well as its institutions designed to integrate young workers into the labor market. In several Western European countries, the slowdown in economic growth was so severe that almost no new jobs were created in the last half of the 1970's. Between 1974 and 1979, the employed share of the working age population actually declined in France, Italy, West Germany, and Great Britain. Although the U.S. did succeed in creating nearly 20 million jobs for youth and adults over the 1970's, the slow periods in the economy still imposed special difficulties on the job status of young people. When the 1974-75 recession induced a 1.15 million decline in jobs, young workers bore over half of the total reduction in employment even though they normally hold only about 20 percent of total jobs.

It is no mystery that young people cannot find jobs in sluggish economies. Nor is it surprising that youth employment is highly sensitive to macroeconomic conditions. After all, older workers are able to protect their jobs through seniority provisions and even when laid off, they can compete effectively against less experienced young workers for other jobs. What is harder to figure out is why youth unemployment rates should remain high even at high levels of economic activity.

What accounts for the chronically high and apparently worsening youth unemployment problem? Does high unemployment inevitably accompany the transition to the labor market and the informal, part-time nature of the youth labor market? Or does the trend toward rising unemployment mean that more and more young people face severe problems getting started in jobs? How have the nation's institutions adjusted to integrate young workers into employment? Why have the market and institutional responses failed to prevent the high rates of youth joblessness? Which young people have suffered and continue to suffer serious unemployment? Do labor market problems of youth carry over into early adult careers?

Distinctions are important for anyone trying to understand or to deal with youth employment problems. Until recently, while Federal government programs covered only low income youth, researchers generally analyzed the labor force patterns of youth as a whole. Although this report focuses on poor and disadvantaged youth, for the remainder of this chapter we assess the nature of their employment problems in the context of the overall youth labor market.

The first step in this chapter is to develop a profile of the youth population and the transition to early adult years. These transitions interact closely with the job patterns of young people. The move out of school shifts young people from the part-time, casual to the full-time, formal job market. Leaving home to marry, have children, and start a household makes finding and holding a job an urgent priority instead of an activity to pay for a young person's discretionary spending.

3.0 A Profile of the Youth Population

The youth population of 1980 is the postwar, baby-boom generation. The 42 million 15-24 year-olds born between 1945 and 1955 grew up during the 1960's and 1970's and make up the largest cohort in the overall population. The size of the current youth generation is by far the largest in U.S. history. The growth in the youth population has also gone well beyond earlier spurts in a particular population age group.

Although the 1960-1980 growth and the impending declines in the youth population are well known, it is useful to present the actual numbers. As is clear from Table 1-2, the last two decades marked nearly a doubling of the population of 15-24 year-olds alongside moderate increases in the over 25 age group and actual declines in the population under age 15. By 1990, the size of the youth population will have fallen from over 42 to less than 35 million. Nearly all of this decline will take place in the white, non-Hispanic population. The Census figures indicate that black and Hispanic youth populations will remain at current or even somewhat higher levels.

Approximately 4.5 million youth make up the population of a single year of age between the late teens and early 20's. We can see what these young people were doing by looking at Table 1-3. Here, confining ourselves to 16-21 year-olds (as of 1979), we find that the majority lived at home and attended school. Of those living at the home of a parent, about 50 percent were still attending high school, 13 percent were in postsecondary school, 13 percent had left school without a high school diploma, and 25 percent were not in school but had completed high school.

3.1 Transitions to Young Adulthood

The late teens and early 20's are critical years for many people. In these years, young people complete their education, enter the labor market and the armed forces, marry and have children, and choose a place to live. Because the activities of youth interact, any analysis of labor market trends must pay close attention to these transitions. Schooling is nearly universal under age 16. But, what happens to progress through school beyond the mid-teenage years? In looking at year to year transitions (from the National Longitudinal Survey of Youth, tabulations for this report) we can ask about the movement of youth by school year and by age. Table 1-4 shows the transitions in schooling status between 1979 and 1980 for the nation as a whole. In general, youth make steady progress from one grade to the next through high school. Over 90 percent of high school sophomores, juniors, and seniors advanced to the next grade level.

TABLE 1-2

Youth Population by Age and Race: 1950-1990

	1950	1960	1970	1980	1990
White Population					
Ages					
14-15	3743	4828	6944	6306	5182
16-17	3628	5011	6674	6817	5089
18-19	3857	4393	6481	7208	5853
20-21	4015	4003	6241	7250	6010
22-24	6313	5774	8789	10506	8778
Black Population					
Ages					
14-15	554	647	1089	1144	1029
16-17	520	628	1000	1178	1028
18-19	538	554	920	1161	1096
20-21	537	513	857	1147	1148
22-24	815	731	1047	1561	1500

Note: Data on black population for 1950 includes other nonwhite races.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-25, Nos. 311, 519, 704, 721, and 800.

TABLE 1-3

Profile of 16-21 Year-Olds: 1979
Population by School Status, Residence, and Sex

	Living in Parental Home		Not Living in Parental Home		Total	
	Number (000's)	Percent	Number (000's)	Percent	Number (000's)	Percent
Young Men						
Population	9308	100.0	2655	100.0	11,963	100.0
Enrolled:						
In High School	4677	50.2	79	3.0	4756	39.8
Post High School	1115	12.0	1214	45.7	2330	19.5
Not Enrolled:						
High School Dropouts	1275	13.7	484	18.2	1759	14.7
High School Graduates	2241	24.1	878	33.1	3119	26.1
Young Women						
Population	8260	100.0	4144	100.0	12,404	100.0
Enrolled:						
In High School	4197	50.8	81	2.0	4278	34.5
Post High School	1226	14.8	1147	27.7	2372	19.1
Not Enrolled:						
High School Dropouts	740	8.0	936	22.6	1676	13.5
High School Graduates	2097	25.4	1980	47.8	4077	32.9

Source: Unpublished tabulations from the National Longitudinal Survey.

TABLE 1-3 (continued)

	Blacks*	Whites
Young Men		
Enrolled		
In High School	44.4	38.9
In Parental Home	99	98
Outside Parental Home	1	2
In Postsecondary School	12.0	21.2
In Parental Home	62	46
Outside Parental Home	38	54
Not Enrolled		
High School Dropout	22.0	12.5
In Parental Home	86	69
Outside Parental Home	14	31
High School Graduate	21.5	27.4
In Parental Home	76	71
Outside Parental Home	24	29
Young Women		
Enrolled		
In High School	38.4	34.0
In Parental Home	99	98
Outside Parental Home	1	2
Postsecondary School	16.1	20.0
In Parental Home	65	49
Outside Parental Home	35	51
Not Enrolled		
High School Dropout	18.0	11.4
In Parental Home	53	41
Outside Parental Home	47	59
High School Graduate	30.3	34.6
In Parental Home	65	49
Outside Parental Home	35	51

Source: NLS, unpublished tabulations

* Excludes Hispanics

Once out of school, few returned. Of the high school graduates who were no longer in school in 1979, less than 10 percent were reenrolled in 1980.

After graduating high school, most young do not continue enrolling in school. Of the seniors enrolled in 1979, 43 percent were enrolled in postsecondary education a year later. Nearly all of the rest had left school with a high school diploma. Youth in postsecondary schools experienced retention rates of about 75 percent. While this figure is high, it is lower than the 85-90 percent retention rates of high school youth and it implies that only about 30 percent of those entering college become college graduates four years later.

The transition from school to other activities takes place steadily but gradually over the 16 to 23 age period. At ages 16-17, about 90 percent are enrolled in school. The figure declines to 50 percent at age 18-19, 30 percent at 20-21, and 20 percent at age 22. Similarly, as youth age from their late teens to their late 20's, more move outside the parental home and leave high school.

The profiles differ substantially by sex and ethnic group. Although young women leave home at earlier ages than young men do, women are more likely to finish high school. By age 20-21, only 40 percent of women but 57 percent of men were still living at a parental home. High school dropouts made up one of every six young men but just over one of eight young women. As expected, black and Hispanic youth completed less education than white youth. Of young men no longer in school at age 20-21, 40 percent of blacks and nearly 50 percent of Hispanics were high school dropouts. These rates were more than double the 20 percent dropout levels among whites. Surprising differences appeared in the timing of leaving home. In general, one might expect minority youth to move out at a younger age than do white youth, since minority youth have their own

TABLE 1-4

Flows In and Out of School by Grade Level, 1979-1980: All Youth, Black Young Men and White Young Men

Per cent by 1980 Status

	In School			Not In School	
1979 Status	Junior or Lower	Senior	Post-Secondary	HS Dropout	HS Graduate
HS Sophomore					
All Youth	91.7	1.6	--	6.5	----
Black Male	90.5	0.9	--	6.5	----
White Male	91.0	2.6	--	6.2	----
HS Junior					
All Youth	3.1	85.7	1.3	7.1	2.8
Black Males	11.0	78.7	---	6.8	3.5
White Males	2.0	87.8	2.1	6.5	1.5
HS Senior					
All Youth	---	3.8	48.5	3.6	48.5
Black Males	---	8.7	29.5	8.6	53.1
White Males	---	4.8	42.2	2.9	49.8
Enrolled, Postsecondary					
All Youth	---	---	72.3	----	27.7
Black Males	---	---	77.0	----	23.0
White Males	---	---	74.2	----	24.8
HS Dropouts					
All Youth	3.0	0.8	0.8	84.5	11.1
Black Males	2.5	1.1	---	86.2	10.2
White Males	3.1	1.3	---	87.4	8.0
Not Enrolled HS Graduates					
All Youth	---	---	8.6	----	91.4
Black Males	---	---	7.6	----	91.4
White Males	---	---	7.4	----	92.7

Source: Unpublished tabulations from National Longitudinal Survey.

children sooner and have access to less parental income than whites. In fact, it turns out that black and Hispanic youngsters remain at the parental home longer than whites do. Of young men in their early 20's, about half of whites but only 30 percent of blacks had moved from their parental home.

Leaving home goes together with other transitions to adulthood. With all of the publicity about new life styles, it is worth reviewing the patterns by which various groups of young people start their own households, marry, have children, and choose a place to live.

Although the 1970's marked a dramatic shift toward delaying marriage, two of three people marry during their 20's. As of 1980, only 1 of 5 women and 1 of 3 men were single in their late 20's. Nevertheless, the trend away from marriage has been striking. As recently as 1970, nearly half of young men and two-thirds of young women had married by ages 20-24. A decade later, the percentages married had dropped to less than one of three young men and one of two young women.

Along with the delaying of first marriages has come a trend toward the breakup of marriages. Between 1970 and 1980, the share of ever-married 25-34 year-olds that were in a divorced or separated status jumped from 4 to 12 percent of men and from 7 to nearly 15 percent of women. Still, the majority of young people do marry and remain married through their late 20's. In 1980, about two-thirds of 25-29 year-olds were married and less than 10 percent were divorced.

The trends in childbearing resemble, but are somewhat more complex than the trends in marriage. Married women are delaying childbearing and deciding to have fewer children. The share of women having their first births within two years of marriage fell from 67 percent among those marrying between 1955-65 to 48 percent among those marrying between 1970-74. By 1979, over 1 of 4 married women were still childless, more than double the percent childless in 1980. The number of births expected over a lifetime also declined sharply. Between 1967 and 1979, the share of 18-24 year-old women expecting to have three or more children dropped from 46 to 28 percent.

Complicating the story is the fact that childbearing did not decline at all among unmarried women. As a result, births to unmarried women tripled as a share of all births, rising from 5.3 percent in 1960 to 17.1 percent in 1979. In fact, this percentage would have jumped even more sharply had not many unmarried women obtained abortions. In 1978, unmarried women gave birth to 540,000 children, but had over 1 million abortions.

In spite of the declines and delays in childbearing, the majority of women bear children by age 25. Moreover, the trends by cohort indicates that today's young women are almost as likely to have a child by age 25 as some cohorts of women born between 1900 and 1920. Geographic mobility often accompanies the youth transitions out of school, into marriage, and into parenthood. The peak rate of movement out of a household and away from a geographic area occurs among young people. Over 80 percent of those 19-22 in 1975 had moved to a different house by 1980. Nearly 40 percent had migrated to a different country. In comparison, only about half of the entire population changed houses and less than 20 percent moved away from their county. Youth mobility exceeds mobility of the general population over an age span starting in the late teenage years to the early 30's.

Entry into military service is another important transition for many young people. In 1979, about 600,000 18-21 year-olds were serving on active duty in the Armed Forces. Those in the military made up 3.6 percent of all 18-21 year-olds, but almost 7 percent of young men in the 18-21 age category. In spite of the relatively low overall figures, participation in the armed forces was significant for some youth subgroups. For example, nearly 10 percent of black males and almost 16 percent of black male high school graduates were in the military as of mid-1979. In fact, of black male graduates, the number in the military was half as large as the number in civilian employment.

Looking at the youth who actually serve in the military understates the potential role of the armed services. While only 6 to 10 percent of young men actually enlist, a much higher share say they intend to enlist. Over 25 percent of white and over 40 percent of black 16-17 year-olds say they will definitely or probably try to enlist in the military. Of black high school dropouts, over half plan to join the armed forces. Although many of these dropouts will be unable to enlist, they still may base employment and family decisions on the prospect of military service.

Not all youth transitions are positive experiences. Criminal activity is a negative youth activity that tends to decline with age. Young men, age 24 and under, commit the vast majority of serious crimes. They accounted for over half the arrests for aggravated assault and over 80 percent of arrests for robbery, burglary, auto theft, and arson.

The high youth share of total arrests does not mean most young people engage in crime. On the basis of self-reports, among young men, only about one of six 18-19 year-olds and one of five 20-21 year-olds had been arrested for something other than a traffic offense. Among out-of-school young men, just over 13 percent of high school dropouts and about 7.5 percent of high school graduates reported at least one conviction. Young women showed much lower crime rates. Less than 3 percent of out-of-school 16-22 year-olds had been convicted for a nontraffic offense.

In some cases, young people earn income from illicit activities. On the basis of self-reports, about 20 percent of out-of-school young men had some but very little income from illegal activity. But, about 8 percent of young dropouts reported earnings at least one-quarter of total income from criminal sources.

3.2 A Summary View of Youth Transitions

It is clear that moving through the late teenage and early 20's years produce broad changes that can be relevant to a young person's employment experiences. The interactions between the job market and other youth activities may be complex. Forming a new household may depend on the ability of a young person to find a job. At the same time, a job becomes more of a necessity when a young person heads a household than when the youth lives with one or both parents.

To summarize the youth activities and transitions,

-----nearly all youth leave school between age 16 and 21;

-----about half of young move from their parent's home between 16 and 21;

-----more than half marry by age 25;

-----more than half of young women bear children by 25;

-----two of five 16-21 year-olds move to a different county (over a five year period);

-----one of eleven young men join the armed forces; and

-----one of about six out-of-school young men are arrested or convicted of a nontraffic criminal offense.

4.0 A Review of Research on the Magnitude and Causes of Youth Unemployment

The passage of YEDPA set off a significant increase in research on the magnitude and causes of youth unemployment. This section draws on the recent wave of research to summarize in more detail than section 2.0 the current state of knowledge on the youth employment problem.

4.1 New Research on Concepts and Measures of Youth Labor Force Status

The standard government measures of youth labor force status came under scrutiny as the result of papers by Borus, Mott, and Nestel (1980), by Freeman and Medoff (1980), by Meyer and Wise (1981) and by Lerman (1980). The first paper appeared at a 1978 YEDPA-sponsored conference, where Borus et al., reported comparisons between the 1966-69 National Longitudinal Surveys (NLS) and the Current Population Surveys (CPS). These comparisons showed youth employment and labor force participation levels substancially higher in the NLS than in the CPS. The pattern of differences between the two sources of unemployment rates was not uniform. While NLS showed in-school youth with higher unemployment rates than did the CPS, unemployment rates of out-of-school youth were lower in the NLS.

Freeman and Medoff made the case that the differences between data sources resulted primarily from the fact that the NLS obtained responses from the youth themselves while the CPS usually relied on a parent's or other adult relative's responses to questions about the youth's labor force status. Separate tests produced mixed results concerning this hypothesis. Lerman examined data from a nationally representative survey, the National Crime Survey (NCS), that used the CPS employment questions, but asked the youth themselves via in-person interviews. The comparisons between CPS and NLS again showed the CPS with lower employment-population ratios, higher unemployment rates, and wider racial differentials that did the survey based on self-reported information. Evidence cited by Bowers (1981) called into question the notion that differences in results across surveys were due to the respondents used in the surveys. In Bureau of the Census tests of alternative survey methods, no significant differences emerged between youth figures based on self-response and figures based on proxy responses.

The latest information about this issue comes from comparisons based on the YEDPA-sponsored 1979 National Longitudinal Survey. According to this survey, labor force participation rates, employment-population ratios, and unemployment rates of youth were all higher than what was reported in the CPS. However, unlike earlier comparisons, racial differentials were no higher in the official CPS data than in the NLS-based data.

Beyond the differences in data, the concept of unemployment became subject to reanalysis. Unemployment rates had been the standard indicator of difficulties in the labor market because it measured the percentage of those in the labor force who did not have jobs. Counting only the unemployed as having labor market problems left out those not working who did not engage in any job search within the last month. Yet, as Clark and Summers (1980) emphasized, the distinction between those counted as unemployed and those counted as outside the labor force may be tenuous and may well overstate the genuine differences among youth. The reasons are that those counted as unemployed do not search for long periods of time and that many of those counted as not in the labor force would take a job if one were available. One consequence is that the employment-population ratio is often a more revealing indicator of youth outcomes than the youth unemployment rate.

4.2 Causes of Youth Unemployment Problems

Analysts have divided causes of youth employment problems into demand factors, supply factors, and market clearing factors. A short review can only summarize some of the most important aspects of each factor. Where appropriate, the emphasis is on causes that are particularly important for minority and low income youth.

4.2.1 Demand-Related Factors

Macroeconomic conditions are perhaps the single largest factor influencing changes in youth employment and unemployment. As Freeman reported (1980, NBER), every one percentage point change in the employment rate for adult males induces a 2 point change in the employment rate of white teenagers and a 3 point change in the employment rate among black teens. With adult unemployment rates trending higher over the 1960-1983 period, the moderate increase in teenage unemployment rates is not surprising. Moreover, given that black youth employment is even more sensitive to overall conditions than white youth employment, the secular rise in aggregate unemployment rates even explains some of the widening black-white gap. Ellwood and Wise (1983) estimate that about 14 percent of the 1969-79 increase in black-white employment differentials among young men appears to have resulted from the weakness in the aggregate economy.

Surprisingly, the specific demand weakness due to the location of jobs outside ghetto areas proved to exert little impact on employment differentials between black and white youth. In a striking piece of research on the highly segregated Chicago labor market, Ellwood (1983) found virtually none of the black-white employment differentials associated with location factors. Neighborhood location and accessibility to jobs within the overall Chicago metropolitan area had essentially no impact. One powerful piece of evidence reported by Ellwood was the fact that black youth in Chicago's West Side ghetto, who lived close to large numbers of jobs, fared no better than black youth living in the South Side ghetto where jobs are relatively scarce.

Although the Ellwood results are persuasive concerning the role of job market differences within a large, metropolitan area, they do not show that geographic factors are always unimportant. Freeman's analysis of differences across 115 metropolitan areas in 1970 demonstrated that general area employment conditions and an area's industry mix exert significant effects on youth job opportunities. On a broader regional level, several authors have pointed out that the migration of black youth out of the rural South into the North and urban South significantly lowered overall black youth employment. This regional phenomenon was particularly important during the 1950's and early 1960's, but not during the late 1960's and 1970's.

In spite of Ellwood's evidence showing that locational demand factors within metropolitan areas explained little of the employment problems of black youth, overall national statistics indicate that employment among out-of-school black youth has been higher inside central cities than outside central cities. As Levy and Lerman (1979) reported, while 61 percent of black teenage males outside central cities had jobs, only 44 percent of those in central cities were working as of March 1978. The wide gap by area did not extend to other groups of black youth, such as those in school and those in their early 20's.

Perhaps the best test of the importance of demand factors is to examine how black youth employment responds to the presence of real and assured job offers. In a case where the use of demonstrations helped answer a basic research question, the Youth Incentive Entitlement Pilot Projects (1979-1983) provided evidence on the impact on employment of job availability in the form of minimum wage, school conditioned jobs. Chapter 9 discusses how this and other efforts at raising the demand for youth affected youth employment levels.

4.2.2 Supply Factors

The quantity and quality of youth labor supply can influence youth employment levels and black-white differentials. Over the 1960's and 1970's, a massive increase took place in the absolute size of the youth labor force, in the share of youth to adult workers, and in the share of workers who potentially compete with young workers for jobs. Wachter and Kim (1979) attempted to isolate how youth population shifts affected the percentages of youth employed, unemployed, and attending school full-time. In general, the authors found that increases in the youth share of the population lowered the percentages of youth who were employed and raised the percentages who were unemployed, who were attending school while outside the labor force, and who were neither in school nor in the labor force. Freeman's results based on area differences constitutes added evidence that the quantity of youth in an area can lower the share in jobs. As of 1970, job chances of 16-19 year-olds were lower in areas with high shares of 16-19 year-olds in the population. The effect on 20-24 year-olds was in the same direction but smaller in size.

While other youth constitute the primary competitors for jobs held by youth, older workers might also serve as substitutes for young workers. If so, increases in their numbers would lower the earnings and employment of youth. In a recent finding, Borjas (1983) reported that adult women apparently served as substitutes for young workers in production. As of 1970, high proportions of women in an area's labor force seemed to lead to lower wage rates and employment levels for black young men. Surprisingly, no other groups of workers, including Hispanic men, acted as substitutes to the same extent as adult women.

In contrast to the significance of these dimensions of youth labor supply, other indicators show only a limited role for supply factors. As noted above, in spite of the bulge in the youth labor force, the share of employed youth actually increased over the 1960's and 70's. In addition, the economy has demonstrated an enormous capacity to absorb young workers during the summer. In 1976, for example, the full-time labor force of 16-19 year-olds jumped from 3.8 million in March to 7.0 million in June, 8.3 million in July, and 7.5 million in August before falling back to about 4 million for the rest of the year. Nearly 90 percent of the increase in the youth labor force was matched by an increase in youth employment, thereby producing a decline in the youth unemployment rate between Spring and Summer 1976.

The quantity of youth labor depends not only on numbers in the labor force but also on the hours per worker. This, in turn, is primarily a result of the share of youth in and out of school. As Ellwood and Wise (1983) document, the patterns of enrollment and employment varied by race and sex. Enrollment rates rose for all youth over the 1950's and 1960's, but actually declined among white 16-24 year-old men. Most of the increased employment among young white men came from rising employment rates of in-school youth and during the 1970's, from the lower enrollment rates. Since enrollment of young black men remained constant over the 1970's, none of their declining employment rates could be attributed to increased schooling. However, their constant enrollment alongside the declining enrollment of white youth meant that some of the increased racial gap could be attributed to shifts in enrollment. Ellwood and Wise (1983) estimate that 3 of the 14 point widening in the racial gap over the 1970's was attributable to the differential enrollment patterns.

Among young women, the employment differentials by race reflected gains among whites both in and out of school alongside slight declines among in-school and out-of-school black women.

The changing patterns of military participation may also have affected the civilian youth labor market. Between the 1950's and the 1980's, a dramatic decline took place in the share of 18-24 year-old men who served in the military. The changing size of the military could exert three kinds of effects. First, increases in the military would tend to reduce civilian labor supply, thereby potentially raising the opportunities of youth not in the military. Second, the shift in youth who are generally more employable than average into the military might have a negative impact on the composition of the civilian labor force. Finally, the past statistical practice of not counting armed forces personnel as employed would mean underestimates of varying size in the share of youth engaged in productive, job-like activities.

Of special interest is the implication of the diverging racial patterns of armed forces enrollment. During the 1970's, the share of young black men in the military remained about constant, while the white share declined substantially. In fact, so great were the differential trends that counting armed forces personnel as employed in 1969 and in 1979 would reduce the 14 point widening of the racial gap in employment rates by 3 points.

The quality of labor supply is especially complex to analyze. Among youth as a whole, there is no evidence of a decline in labor quality. Although the scores on some standardized tests have fallen, no one has documented a link between test score changes and labor force quality nor between either and youth employment opportunities. It is worth noting that even were the quality of young workers to decline, a drop in relative wages could prevent any decline in employment.

Educational quality differences could explain part of the continuing racial gap in employment opportunities. A national study of functional literacy among 17 year-olds revealed sharply lower literacy among blacks (58 percent) than among whites (91 percent) (NAEP, 1976). While many jobs do not require high reading, writing or math skills, poor abilities certainly limit the range of jobs available.

Were low skills to account for racial employment differentials, one would expect that high skill blacks would do as well as high skill whites in the labor market. Meyer and Wise (1981) reported evidence along these lines in documenting that the employment, earnings, and weeks worked among the high school graduates of 1972 differed little by race. Similarly, young black workers do as well as young whites with comparable college or graduate school backgrounds.

One problem with this explanation is that racial differentials in test scores have not widened over time, while employment-population ratios have. To reconcile these patterns with the notion of the importance of the labor quality explanation, one can resort to one of three additional factors that have changed during the 1960's and 1970's.

Rising educational requirements could lead to a result in which constant or even declining racial differentials are consistent with education contributing to increasing racial employment differentials. Although there is evidence of rising overall skill requirements, no one has shown the relevance of these changes for racial differentials in youth employment.

Another possibility is that reservation wages of young blacks more than kept pace with any gains in their educational levels. Holzer (1983) reported that although young blacks have reservation wages that are as low or lower than those of young whites, reservation wages relative to actual wages are higher among blacks.

A third factor is the rising importance of the minimum wage. The 1970's saw an increase in the coverage of the minimum wage. This, along with pre-existing educational differences, could have led to substantial racial differentials. The most recent evidence comes from work by Meyer and Wise (1981). They report that the presence of a minimum wage in 1978 lowered employment of black youth (16-24 year-olds) by 5.6 percent and reduced white youth employment by 3.7 percent. This two point gap is large, but it represents the presence or absence of the minimum, rather than the changes in size and coverage of the minimum during the 1960's and 1970's.

4.2.3 Market Clearing and Job Connections

The way youth labor markets operate and job connections are made represent causal factors that go beyond standard supply and demand forces. As noted, there is evidence that the minimum wage prevents markets from clearing by keeping actual wages above market clearing rates, thus keeping supply higher and demand lower than in an unrestricted setting.

Equally or even more significant is the role of job connections and family factors in youth employment. Lerman (1983) has reported recent evidence that indicates that the presence of other workers in the family plays a role in job finding, even among black youth in big city ghettos. Freeman (1983) found that youth who attend church regularly also do better in the labor market. Both the presence of other workers and churchgoing link youth to those in the position of providing a reference as well a specific job leads. At the same time, past evidence from the NLS indicated that youth who have good knowledge of the world of work and job finding skills perform better than do other youth. Since racial gaps exist in the presence of other workers as well as in knowledge and expectations of the labor market, these job connection factors may have accounted for some of the racial employment differentials.

Several of the YEDPA demonstration projects attempt to overcome these types of employment barriers facing minority and low income youth. In addition to the provision of pre-employment assistance through job sampling and classroom education about the world of work, YEDPA demonstrations provided job placement services as well as job-finding clubs to determine how increasing connections to jobs would affect youth employment. In this report, Chapter 7 reviews the evidence on the effects of these demonstrations and thus on the significance of these employment barriers for low income and minority youth.

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CHAPTER 2 - DID THE CETA SYSTEM WORK FOR DISADVANTAGED YOUTH? AN OVERVIEW OF PROGRAM IMPACTS AFTER PROGRAM PARTICIPATION.

Introduction

Did CETA youth programs pay off for low income, disadvantaged youth? This was the central question asked by policy makers in the development of CETA's replacement legislation, the JOBS Training Partnership Act. Unfortunately, during the policy deliberations, there were no available studies on the overall impacts of CETA participation on disadvantaged youth. Many evaluations were available on separate CETA program components and considerable information was available from special demonstration programs, but virtually no overview was available that answered the question: Did CETA as a whole, work?

The effectiveness of CETA as a system of many programs often serving several categories of youth is the starting point of the present analysis. Presumably, society values economically efficient programs that improve the productivity of young people after completing participation, that is, that enhance the success, job readiness, and employment of youngsters over and above what would happen if there were no special government programs. After determining that the system as a whole works well or not at all, we will be better prepared to examine the evidence on the various components of the American employment and training system for poor youth.

There have been numerous studies of particular CETA programs for youth, evaluating their short term impacts. Now, the National Longitudinal Survey of Labor Market Experience (NLS) provides a data base for evaluating longer term impacts of the whole set of CETA programs for youth. Beginning in 1979, a sample of 11,412 non-military youth were interviewed, ranging in age from 14 to 21. These youth were interviewed in 1979 and reinterviewed in 1980 and 1981.

Of the 1979 interview group, 1114 persons participated in CETA programs at some time between January 1978 and the interview date in 1979.* The NLS data permit a follow-up of the school and unsubsidized work experiences of CETA youth which can then be compared to the corresponding experience of non-CETA youth. This allows a test of hypotheses concerning the impact of CETA on unsubsidized work and school. In addition, broad types of CETA programs can be identified and evaluated as well as CETA as a whole.

Even though the unsubsidized work behavior of CETA and non-CETA youth can be compared based on the NLS data, there remain problems in obtaining a fair test of CETA. One serious problem is that CETA participants generally come from a disadvantaged group. Thus, it is possible that they go through CETA, benefit from it, and even so perform less well in the unsubsidized labor market than non-CETA youth because their initial disadvantage was so strong. Further complicating the problem is that there is likely to be self selection into CETA. Not only does the low income requirement in CETA restrict eligibility, but among low income youth, those who perceive themselves as having the worst opportunities in the private sector may be the ones most likely to participate. These features of the CETA population must be controlled for adequately if a reliable test of the effectiveness of CETA is to be obtained.

One device we used was a matching procedure. Although disadvantaged groups are overrepresented in the NLS sample, it is drawn from the population as a whole. To obtain better comparisons, a subset of non-CETA youth was drawn from the NLS sample. For each CETA youth, the matching procedure identified a non-CETA youth having characteristics on eight key variables as close as possible to those of the CETA youth. The matching procedures is described in Appendix A.

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* Actually, many of the participants by 1978 were in programs begun under the Manpower Development Training Act, CETA's predecessor. The term CETA is used throughout the chapter because these programs were folded into CETA. The participants who were interviewed frequently used the old MDTA names when answering questions about CETA programs.

As the discussion of results will show, even after the match, CETA youth on average have lower rates of unsubsidized work than matched youth in the follow-up years. Although there are some important exceptions to the finding, a principal task of this chapter is to explain this result. Is it to be taken at face value to indicate a failure of CETA, or are there more complex explanations that could show benefits from at least some types of CETA for some types of youth? Two problems arise in the analysis which need to be dealt with before definite conclusions can be reached.

First, some youth remain in CETA programs (or at least in subsidized jobs) through a part of the follow-up period. The CETA group was chosen on the basis of 1978 (or early 1979) CETA participation. The difficulty posed by the lingerers in CETA is that time spent in a subsidized job necessarily takes away time that could be worked on an unsubsidized job. However, by the 1981 follow-up the amount of lingering is sufficiently small that it alone cannot explain the lower rate of unsubsidized work among the CETA group.

The second problem relates once more to the possibility that the lower unsubsidized work rates of CETA youth result from their initial disadvantage. The matching procedure was one step in trying to control for disadvantage, but it could not select on all relevant variables. Thus additional statistical controls are necessary; they will be done within the sample of 1114 CETA youth and the matched 1114 non-CETA youth. In addition the sample will be disaggregated to see if some subgroups might benefit from CETA, but the effect is hidden in the whole sample.

1.0 Post CETA Employment Experiences: A Preliminary Overview of Results During the Week of Interview

In evaluating the follow-up effects of CETA, the primary concern is whether it induced more private sector or at least unsubsidized employment.* However, staying in school longer could also be taken as a measure of success for a program directed at youth. In a time period as long as a year, many youth can and do participate in a number of work and school activities, either serially or simultaneously. As a preliminary indication, this section will look at what young people were doing at specific points in time, namely in the weeks of the interviews in 1980 and 1981. Later, data will be presented on work experiences over the entire years of 1979 and 1980 (looking back from each interview).

The interviews were conducted in the Spring of each year. There are data on what each person was doing at the time of the interview, whether in school, whether working, and if so, whether in a subsidized or unsubsidized job. The fact that the interviews took place in the Spring means that the jobs were probably not summer only jobs. Obviously, a person could be both in school and working. Although a person might have held two jobs, we considered only the primary one here. We constructed a variable with seven mutually exclusive categories indicating the possible work-school combinations open to youth.**

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* The other chapters of this report consider whether and how various types of employment programs for disadvantaged youth improve employability. The chapters consider a variety of outcomes, including changes in attitudes, knowledge areas, job seeking behaviors, and the like. The present chapter concentrates on unsubsidized employment and school effects for the CETA system as a whole.

**Those in the military in 1978 were excluded from our sample. However, by 1980 and 1981 some of the included youth had entered the military. Thus in-military is included as the seventh category.

For each group, the percentages in each category are presented in Table 2-1 for the weeks of the 1980 and 1981 interviews.

The basic question this study posed was whether youth would have more (and better) unsubsidized work experiences as a consequence of participating in CETA. The evidence presented in Table 2-1 shows quite the contrary: CETA youth are far behind the matched group in unsubsidized work (as measured in the interview week) even two years after initial CETA participation. In both years the matched group exceeds the CETA group in unsubsidized work by over 10 percentage points (as shown in the summary at the bottom of Table 2-1). This result must either be explained or shown to be incorrect. Subsequent sections will explore possible biases that might have produced an incorrect result. This section, however, will take the results at face value to see if an explanation exists for the markedly worse performance of CETA youth in the unsubsidized job market.

Although the CETA group remained behind the matched group in both years, they were finding unsubsidized jobs. Between 1980 and 1981 the growth rate in the proportion holding unsubsidized jobs was 10 percent for the CETA group compared to only 5 percent for the matched group. However, beginning from a much lower base, the CETA group could not catch up. Indeed, for both groups the increase in unsubsidized jobs does not nearly keep pace with the rate of leaving school: over the same period school participation fell by half. This is reflected in the doubling of those neither working nor in school between 1980 and 1981 within both the CETA and the matched groups. Thus the background problem facing both groups is the difficulty in making the school to work transition.

TABLE 2-1 - WORK-SCHOOL STATUS IN WEEK OF NLS INTERVIEW

(Percent in each category)

	1980		1981	
	CETA	Match	CETA	Match
1. Not working, out of school	14.5	12.2	30.6	25.3
2. Unsubsidized job, out of school	15.1	21.4	30.6	37.8
3. Unsubsidized job, in school	23.8	29.1	12.0	15.2
4. Subsidized job, out of school	1.8	0	2.1	0.7
5. Subsidized job, in school	6.6	0	2.6	1.2
6. Not working, in school	36.4	36.0	18.2	15.2
7. In military	1.9	1.3	3.7	4.6
TOTAL	100.1[a]	100	99.8[a]	100
Sample size	1067	1057	1074	1067
Summary				
Unsubsidized job (2 + 3)	38.9	50.5	42.6	53.0
Subsidized job (4 + 5)	8.4	0	4.7	1.9
In school (3 + 5 + 6)	66.8	65.1	32.8	31.6

[a] Totals do not equal 100 because of rounding

To examine more closely the persisting deficit of the CETA group in its rate of unsubsidized work, consider the alternative ways time was used by those not in unsubsidized jobs. Table 2-2 summarizes the CETA-match differences in all other activities. As a matter of arithmetic, the difference in unsubsidized work must equal the differences in all other activities, added together. Table 2-2 thus provides a convenient accounting framework for examining the differences in unsubsidized work. In 1980 the biggest CETA-match difference in alternative activities was in the proportion in subsidized jobs: 8.4 percent of the CETA group was still in a subsidized job. Indeed this accounts for 72 percent of the 11.7 percentage point difference in unsubsidized jobs. In other words, the main factor accounting for the CETA group deficit in 1980 in unsubsidized jobs was the continued participation by many in subsidized jobs. However, it is not the only factor. There were also more CETA youth in 1980 neither in school nor working. This factor accounts for about 20 percent of the unsubsidized job deficit. Differences in school and military participation were in 1980 negligible.

By 1981 the difference in unsubsidized jobs was essentially unchanged, but the pattern of involvement in other activities was different. Fewer CETA youth were still in subsidized jobs while a few match youth had subsidized jobs. Thus the difference in subsidized jobs by 1981 accounts for only 27 percent of the deficit in unsubsidized work. The excess of CETA youth neither working nor in school now accounts for half the difference. The overall rate of school participation by CETA youth is only slightly higher than that for the matched group, but among youth not working, there is now a difference of 3 percentage points in favor of CETA, accounting for nearly 30 percent of the unsubsidized job deficit. Apparently, as CETA jobs end, CETA youth unsuccessful in

TABLE 2-2 - ALTERNATIVE ACTIVITIES ACCOUNTING FOR THE CETA-MATCH DIFFERENCES IN UNSUBSIDIZED JOBS

	1980		1981	
1. Difference in unsubsidized jobs (Match-CETA)	11.6		10.4	
Alternative activities accounting for the difference:				
	Actual Difference (CETA-Match)	Difference as percent of line 1	Actual Difference (CETA-Match)	Difference as percent of line 1
a. In school, not working	0.4	3	3.0	29
b. In subsidized job	8.4	72	2.8	27
c. In military	0.6	5	-0.9	-9
d. Not working, out of school	2.3	20	5.3	51
Total	11.7[a]	100	10.2[a]	98[b]

[a] Totals of actual differences equal line 1 except for rounding errors. Does not equal 100 because of rounding.

[b] Based on figures in Table 1.

finding unsubsidized jobs either stay in school, or more likely, move into the category of doing nothing.

These results illustrate the difficulties of CETA youth in filling the vacuum left by the end of CETA participation, at least during the time span examined here. The problem can be posed most concretely by examining total work, subsidized plus unsubsidized. For the CETA group 47.3 are in some kind of job in both 1980 and 1981: there is no growth in total work. The growth in unsubsidized work is completely offset by the loss of subsidized jobs. The matched group, having no subsidized jobs to lose, gains in both unsubsidized and total work.

If our basic result is accepted that the CETA group has an unsubsidized job deficit, then the explanation appears to be the difficulty in making the post-CETA transition into the unsubsidized job market. Unsubsidized jobs are found, but slowly. When one activity (CETA) is left, it takes time before a replacement activity (unsubsidized job) is found. Even if the CETA group finds unsubsidized jobs at a faster rate than the matched group, it is not sufficient to make up for the subsidized jobs lost within the observed time period.

Although our result can be explained, it remains to be established whether it is valid. The next section will look at annual work variables to see if a similar finding appears there. Then, the possibility that the matching process was inadequate to control for disadvantage in the CETA group will be explored using regression analysis. Finally, disaggregated data will be examined to see if positive CETA effects exist for some subgroups, but are concealed in the aggregate. A reader seeking only the results of this search may turn to the conclusion.

2.0 Annual Employment Variables

The 1980 interview provides retrospective information on 1979 work experiences and the 1981 interview on work during 1980. Table 2-3 presents data on several annual employment variables for 1979 and 1980. The first line shows total weeks worked, subsidized plus unsubsidized. The 1978 values of this variable served as one of the matching variables. The remaining variables refer to unsubsidized work only.

Weeks worked in unsubsidized jobs (line 2) are clearly less for the CETA group in both years, a result consistent with what was found earlier for the work-school status variable during the interview week. However, for 1979 total weeks worked is actually higher for the CETA group than for the matched group. Total weeks for the CETA group falls behind those for the matched group only by 1980. The explanation is straightforward: in 1979 many youth were still working in CETA jobs. The CETA group was constructed of those who were working in a CETA job at any time up to the 1979 interview which took place part way into the year. The higher total weeks worked in 1979 reflects the continued participation in a subsidized job. By 1980 many of the CETA youth were no longer in subsidized jobs.

The annual weeks worked variables thus confirm the interpretation based earlier on the work-school status variables alone. Total work of the CETA group is actually greater than that of the matched group while youth are still participating extensively in CETA as shown by the total weeks worked variable for 1979. However, CETA expands opportunities only temporarily. The unsubsidized work record of the CETA group falls short of that of the matched group after most youth leave CETA.

TABLE 2-3 - ANNUAL EMPLOYMENT OUTCOMES

	1979		1980	
	CETA	Match	CETA	Match
1. Total weeks worked, subsidized plus unsubsidized	27.3	24.2	26.2	27.8
2. Unsubsidized weeks worked	20.0	24.2	22.7	27.8
3. Proportion who worked at all in unsubsidized work	.48	.67	.80	.79
4. Unsubsidized annual earnings	$ 1868	2554	2583	4525
5. Unsubsidized earnings for week, workers only	$ 92	102	119	128

Table shows the mean of each variable for the indicated group.

Line 3 of Table 2-3 shows an additional aspect of the progress of CETA youth in the unsubsidized labor market. It shows the proportion of youth in each group who worked at all. While the CETA group begins in 1979 with a severe disadvantage in this variable, by 1980 the CETA and matched groups come even. However, the CETA group does not catch up in unsubsidized weeks. A possible reconciliation of these variables is that CETA youth enter the unsubsidized youth labor market later because of their involvement in CETA. After a delay, they begin to find jobs at a rate that compares with the matched group. However, since they find jobs later, there is less time available in 1980 to work on the job. Finally, the earnings variables in Table 2-3; both show the matched group clearly ahead.

In order to consider possible relationships between work and school, Table 2-4 presents the same annual employment variables, but broken down by school status at the 1980 and 1981 interview dates. It should be remembered that the proportion of youth out of school approximately doubled between these dates for both the CETA and matched group. As might be expected, youth out of school had substantially more work experience as measured on every employment variable than youth in school. However, for both those in and out of school, the relationship between the CETA and the matched group is the same: the matched youth have more and better paying unsubsidized work experiences.

3.0 Statistical Tests of the Effects of CETA

Controlling statistically for other variables might provide one additional way to detect a positive effect of CETA on unsubsidized work. This approach would work if variables could be found that would measure substantial disadvantages in the CETA population. The matching procedure itself was an attempt to control for disadvantage in the CETA group by constructing a matched group similarly disadvantaged. Of course, the matching procedure has found generally more unsubsidized work among the matched group or a negative effect of CETA. Additional statistical controls could produce a positive effect for CETA only if the CETA group were in some way more disadvantaged than the matched group. Appendix A discusses the possibility of bias in the match resulting from the use of total weeks worked in 1978 as a matching variable. Additional dimensions of disadvantage could be measured by other variables. The NLS is a rich source of much detailed information on the abilities, background, and environment of youth in the sample. An extensive list of variables was selected to be used as control variables.

Reinforcing the disadvantage in the CETA group is the possibility of self-selection: those who perceive themselves having the weakest opportunities in the labor market may be the ones who choose to participate in CETA. There are corrections for the bias caused by self-selection to a treatment group. They depend on identifying variables that are significant in predicting the probability of being in the treatment group. Comparing the CETA and the matched groups, no significant variables were found to explain the probability of being in CETA.* This result emerged even though the list of independent

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*Ordinary regression was used with a dummy dependent variable indicating whether the person was in the CETA or matched group. The self-selection procedure would ordinarily use probit rather than regression. However, for the large sample size used, it was assumed that the two techniques would give similar results in terms of which variables were significant.

This result supports the reliability of our matching procedure. It does not mean that youth do not select themselves into CETA. Rather, such a phenomenon could be observed only if a randomly selected comparison sample were used instead of our matched sample.

TABLE 2-4 - ANNUAL EMPLOYMENT OUTCOMES BROKEN DOWN BY SCHOOL STATUS

	1979				1980			
	Out of School		In School		Out of School		In School	
	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Total weeks worked, subsidized plus unsubsidized	28.9	29.7	26.5	21.4	27.3	29.1	23.7	25.1
2. Unsubsidized weeks worked	26.7	30.2	16.6	21.5	25.3	30.4	18.7	25.5
3. Proportion who worked at all in unsubsidized work	.67	.76	.43	.67	.81	.82	.80	.78
4. Unsubsidized annual earnings	$ 3345	4410	1181	1648	3360	5588	1280	2519
5. Unsubsidized earnings per week, workers only	$ 135	141	77	81	135	151	77	80

The school status for 1979 comes from the 1980 survey, as do the employment variables. Similarly, 1980 school status comes from the 1981 survey.

Those in the military in either year are excluded from that year's figures.

variables included many in addition to the eight matching variables. In view of the inability to find any variables significant in predicting the probability of being in CETA within the matched sample, no explicit correction could be made for self-selection bias.

Two dependent variables were used, each measuring some aspect of unsubsidized employment: weeks of unsubsidized work during the year and annual unsubsidized earnings. The effect of CETA on these two variables was tested for both 1979 and 1980 using regression analysis. The independent variables are all predetermined, coming from the 1979 interview.* The results appear in Table 2-5.

The effect of being in the CETA group is always negative and always significant. Indeed, for both variables, the negative effect is larger in 1980 than in 1979. A number of the control variables are consistently significant with expected signs. Reservation wage has a positive effect on both dependent variables, probably reflecting the fact that those who are more ambitious in their expectations probably also know that they have better opportunities or capabilities. Family income in 1978 generally has a positive effect, showing that it is indeed a measure of (dis)advantage. The strongest explanatory variable is weeks worked in 1978. This accords with the common finding that previous work experience is one of the best predictors of current employment behavior. Females work and earn less as do those with larger families. Older youth work and earn more. A number of attitudinal and test score variables were used, but none were significant except that the numerical/arithmetic ability score had a positive effect on weeks worked in 1980.

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*Only predetermined values of variables are used to avoid problems of simultaneity bias. This means that contemporaneous school attendance and participation in CETA cannot be used as control variables. They are jointly dependent variables with the unsubsidized work variable.

TABLE 2-5 - REGRESSION ANALYSIS OF UNSUBSIDIZED EMPLOYMENT VARIABLE

		Unsubsidized Weeks Worked		Unsubsidized Earnings	
		1979	1980	1979	1980
1.	In CETA	-5.13*	-6.56*	-675.9*	-1640.2*
		(-5.22)	(-6.17)	(-3.92)	(-7.54)
2.	Reservation Wage	3.58*	1.93*	661.4*	980.8*
		(5.15)	(2.54)	(5.4)	(6.28)
3.	Has Child	-2.01	-4.45*	142.7	130.3
		(-1.11)	(-2.24)	(0.45)	(0.31)
4.	White	2.19	2.01	-74.7	17.3
		(1.93)	(1.62)	(-0.37)	(.07)
5.	Has illicit income	-0.26	0.66	9.5	-57.8
		(-0.20)	(0.48)	(.04)	(-0.20)
6.	Rotter scale Locus of control	0.46	0.42	65.7	-70.2
		(1.12)	(0.93)	(0.90)	(-0.70)
7.	Family Income 1978	.0002*	.0001	.047*	0.060*
		(2.52)	(1.51)	(3.56)	(3.48)
8.	Area Unemployment Rate 1979	.002	-0.06	-22.0	27.14
		(.008)	(-0.29)	(-0.61)	(0.60)
9.	Weeks Employed 1978	0.54*	0.32*	57.2*	49.85*
		(18.21)	(9.94)	(10.97)	(7.43)
10.	High School Dropout 1979 Interview Date	0.28	-3.28*	234.7	-525.0
		(0.19)	(-2.09)	(0.92)	(-1.59)
11.	Female	-2.16*	-0.27	-867.3*	-1077.4*
		(-1.97)	(-0.22)	(-4.51)	(-4.32)
12.	Family Size	-0.48*	-0.28	-148.0*	-160.7*
		(-1.98)	(-1.07)	(-3.49)	(-2.88)
13.	Knowledge of World of Work Scale	0.38	0.54	11.8	14.2
		(1.30)	(1.69)	(0.23)	(0.21)
14.	Numerical Operations Standard Score	0.65	1.91*	88.0	55.4
		(0.99)	(2.69)	(0.77)	(0.37)
15.	Age at 1979 Interview	0.59	1.84*	287.8*	407.9*
		(1.58)	(4.55)	(4.44)	(4.81)
16.	Mechanical Comprehension Standard Score	0.10	0.43	-79.8	-140.9
		(0.13)	(0.49)	(-0.56)	(-0.78)
17.	Does Not Live At Home	-2.58	-3.38	-23.1	-537.4
		(-1.54)	(-1.86)	(-0.08)	(-1.44)

TABLE 2-5 (continued)

		Unsubsidized Weeks Worked 1979	Unsubsidized Weeks Worked 1980	Unsubsidized Earnings 1979	Unsubsidized Earnings 1980
18.	Paragraph Comprehension Standard Score	-0.43 (-0.53)	-1.18 (-1.31)	137.1 (0.95)	-95.7 (-.50)
19.	Math Knowledge Standard Score	0.27 (0.29)	0.50 (0.49)	-242.3 (-1.48)	-327.2 (-1.55)
20.	Word Knowledge Standard Score	-0.17 (-0.18)	-0.96 (-0.96)	-98.7 (-0.62)	-139.0 (-0.68)
21.	Arithmetic Comprehension Scale	1.34 (1.26)	0.89 (0.78)	250.3 (1.34)	368.8 (1.54)
	Constant	-1.39 (-0.21)	-14.68* (-2.04)	-3908.8* (-3.38)	-4456.9* (-2.92)
	R^2	.35	.20	.24	.22
	N	1225	1278	1266	1120
	F	30.79*	14.64*	18.98*	14.11*

[a] Dummy variables which equal one in indicated case, zero otherwise.
t ratios appear in parentheses beneath coefficients.
*denotes significance at 5 percent level

The regression results conform with the earlier findings that the matched group consistently outperforms the CETA group in unsubsidized work. This result holds up even though numerous controls are introduced. Thus the less favorable unsubsidized work record of CETA youth cannot be explained away on the basis of some disadvantage of theirs unless there remains some significant and unmeasured variable of disadvantage.

We used the regression analysis to explore the possibilities that the CETA group might be disadvantaged even after the match. The results suggest that this is not the case. Even the regression coefficients of the CETA variable agree fairly well in magnitude with the differences in means between the CETA and matched groups. Thus the regression analysis has not altered the conclusions based on simple comparisons of means.

4.0 Disaggregated Employment Experiences

A. Week-of-Interview Work-School Status

This section will look at week-of-interview work and school statuses for various subgroups of the population. The sample will be disaggregated in turn by race and sex, by age, and by broad type of CETA program. Rather than use the entire seven category work-school status variable, these disaggregations will present the summary information on four types of outcome: the percentages 1) neither in work nor school, 2) in unsubsidized jobs, 3) in subsidized work, 4) in school. Obviously, there may be overlap between those in school and those in one of the types of work. The objective of this section is to see whether for some subgroups, CETA has a favorable effect on work in follow-up years, even if none was apparent for the sample as a whole.

Data by race and sex are presented in Table 2-6. For every race-sex subgroup, unsubsidized work among the matched group exceeds that in the CETA group. However, the percent in school is higher for the CETA group in several cases: CETA females in 1980 were noticeably more involved in school; by 1981 nonwhite males and females were slightly more involved in school. The nonwhite females subgroup in 1980 is the only one for which more youth in the matched group do nothing than in the CETA group. The CETA youth in this subgroup are less involved in unsubsidized work, but substantially more in school and subsidized work. However, by 1981 both CETA and school opportunities decline as the group ages.

Other than the CETA effects, Table 2-6 shows expected patterns. Whites of both sexes have more unsubsidized jobs than nonwhites. Among whites, females have more unsubsidized jobs than males, but among nonwhites the differences are not consistent. Larger percentages of nonwhites are consistently in school, compensating perhaps for their poorer opportunities in the labor market. The race-sex disaggregation does help reveal one success of CETA, that CETA females are more likely to remain in school soon after their CETA experiences.

Table 2-7 disaggregates the youth on the basis of their age at the time of the 1979 interview. For every subgroup (except 21-year-olds by 1981) the rate of unsubsidized work is greater for the matched group. Subsidized work is concentrated most heavily among the youngest -- the 16 and 17 year olds. For the doing nothing category and the in-school category, there are subgroups for which the CETA youth have better outcomes. However, there is not a consistent pattern as to which CETA subgroups will perform better or worse than matched subgroups.

Since CETA is a broad label that covers many kinds of programs, outcomes were also disaggregated by type of CETA program. In this chapter we utilize one very broad distinction -- youth who receive skills training versus all others. The other major categories of American youth programs, such as pre-employment programs teaching socialization skills, summer jobs, school-conditioned work experience, basic skills, job search assistance, and placement programs, will be considered in the other chapters. The skills training category is emphasized here because it tests whether the most tangible and job-specific mode of youth programming pays off in unsubsidized employment. Providing work experience, basic skills, and pre-employment services are important, but we might expect that skills training would yield the most direct employment outcomes.

There are several ways to categorize services and training using the NLS data base. We utilize two approaches. In approach #1 (the Brandeis Classification) we count participants who were in a skill training program (as evidenced by the program's title) and/or received skills-oriented services. To be in a "training" program, participants had to be involved, for example, in

TABLE 2-6 - SUMMARY DATA ON WORK-SCHOOL STATUS BY SEX AND RACE - WEEK OF INTERVIEW

(Percent in each category)*

	MALE				FEMALE			
	WHITE		NONWHITE		WHITE		NONWHITE	
1980	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Not working, out of school	16.2	10.1	11.4	7.2	16.5	15.4	15.7	17.1
2. Unsubsidized job	45.1	58.8	35.1	47.7	50.0	60.1	32.6	42.9
3. Subsidized job	6.9	0	8.3	0	6.9	0	10.2	0
4. In school	61.7	63.9	70.9	71.2	58.5	55.4	70.1	64.9
Sample Size	204	199	350	348	188	188	325	322
1981								
1. Not working, out of school	29.1	20.3	25.3	18.7	36.2	27.4	34.3	34.4
2. Unsubsidized job	47.6	61.8	38.8	48.7	49.2	62.9	40.0	46.3
3. Subsidized job	3.9	1.5	6.2	2.0	3.8	1.1	4.3	2.8
4. In school	32.0	28.2	36.6	35.4	21.7	22.1	35.7	35.0
Sample Size	206	202	356	353	185	186	327	326

*Note that the percents do not add to 100 since the categories are neither mutually exclusive nor exhaustive

TABLE 2-7 - SUMMARY DATA ON WORK-SCHOOL STATUS BY AGE - WEEK OF INTERVIEW

(Percents in each category)

Age at 1979 Interview	16		17		18		19		20		21	
1980	CETA	Match	CETA	Match	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Not working, out of school	7.8	3.5	6.0	9.3	20.5	14.1	26.1	15.1	23.1	26.7	25.0	24.2
2. Unsubsidized job	22.8	33.2	41.2	46.6	41.1	59.2	48.5	66.9	54.6	57.8	60.0	66.7
3. Subsidized job	15.0	0	10.1	0	6.4	0	6.0	0	5.6	0	8.3	0
4. In school	90.1	94.5	82.4	78.5	57.1	53.4	37.3	43.2	41.7	38.8	23.4	18.2
Sample size	180	313	199	204	219	206	134	139	108	116	60	66
1981												
1. Not working, out of school	25.6	23.7	37.6	25.7	35.6	25.7	42.6	27.2	23.9	22.2	32.8	34.8
2. Unsubsidized job	37.8	42.7	37.1	50.0	44.9	54.2	46.3	61.8	63.7	69.2	58.6	54.5
3. Subsidized job	6.7	3.8	4.6	1.0	4.0	3.3	2.9	0	1.8	0	3.4	0
4. In school	48.3	50.0	26.4	33.0	20.5	22.4	12.5	20.6	23.1	19.6	8.6	15.2
Sample size	180	316	197	206	225	214	136	136	113	117	58	66

CETA or MDTA on-the-job training (OJT) or be provided classroom training, OJT, or skills training within a range of programs including CETA, NYC, YETP, Apprenticeship, YACC, YCC, or others. As noted earlier, Job Corps participants were omitted to restrict the study to non-residential programs. Finally, youth who may have been in several related programs in the baseline period, such as CETA skill training and vocational education, are not treated separately in the analysis. This approach to counting CETA skills trainees yielded 628 young people or 56 percent of the CETA sample. Approach #2, the Standard Classification, restricts the count of skill trainees by including only those participants who report receiving "classroom training for occupational skills." On this basis, independent of the name of the participants' programs, 29 percent of the sample are "skills trainees." This standard classification is utilized in a series of reports on youth employment by the Ohio State University Center of Human Resources and corresponds more closely to material data collected by the Department of Labor.*

For both ways of classifying programs, the results, reported in Table 2-8 are essentially the same. The CETA group, skilled trainees or otherwise, always has a larger percentage of youth neither working nor in school. The matched group always has more in unsubsidized jobs. The matched group has a higher percentage in school among those in skills training programs. However, for those in other types of programs, the CETA group has a higher percentage in school. Since the Brandeis classification does not give insights different than the standard classification, subsequent disaggregations by type of program will rely on the standard classification.

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* A third approach is used by the Policy Research Group in the 1983 unreleased report, "Socio-Economic Impacts of Recent Government-Subsidized Employment and Training Programs for Youth." They report that 40% of CETA participants receive skills training (OJT, CT or Job Skill Training).

TABLE 2-8 - SUMMARY DATA ON WORK-SCHOOL STATUS BY TYPE OF CETA PROGRAM - WEEK OF INTERVIE

	Brandeis Classification				Standard Classification			
	Skills Training		Other		Skills Training		Other	
1980	CETA	Match	CETA	Match	CETA	Match	CETA	Matc
1. Not working, out of school	16.9	13.8	9.5	8.5	25.0	19.2	10.2	9.
2. Unsubsidized job	40.5	55.8	37.0	43.8	39.5	50.4	38.6	50.
3. Subsidized job	8.5	0	8.3	0	8.0	0	8.5	
4. In school	60.6	61.2	78.5	73.5	51.3	53.3	73.1	70.
Sample Size	598	588	432	434	312	313	755	74
1981								
1. Not working, out of school	32.3	25.3	27.3	23.8	38.4	28.5	27.4	24.
2. Unsubsidized job	44.4	56.4	39.7	48.7	42.2	49.7	42.8	54.
3. Subsidized job	4.8	1.5	5.1	2.5	4.5	0.9	4.9	2.
4. In school	27.6	29.5	41.5	36.5	22.6	27.9	37.1	33.
Sample Size	604	597	433	433	315	316	759	75

B. Disaggregated Annual Employment Variable

Consider now some of the differences by sex and race on annual outcomes (Table 2-9). Among out-of-school youth in the follow-up period, there are several noteworthy findings. CETA participants of both sexes earn less unsubsidized income than their matches, especially females. One exception is out-of-school males in 1979, but their slight advantage in weekly unsubsidized income over the matches erodes by 1980. Not surprisingly, the biggest earners of unsubsidized income are the out-of-school, non-CETA whites. Finally, while the earnings of non-white out-of-school CETA youth improves from 1979 to 1980, the earnings of the matches improves more dramatically and remains higher.

This pattern of no CETA advantage is repeated in the in-school population, with some exceptions. First, among young girls who mix school and work, there is a consistent pattern in both 1979 and 1980 of higher unsubsidized earnings per week among CETA participants. As noted earlier, however, the female school-work CETA participants do not work as long per year and therefore their annual earnings show no advantage over non-CETA participants. Also among in-school females, there is growth from year to year in the proportion who work at all in unsubsidized work. By 1980 more CETA females have work records than their in-school female matched counterparts. Finally, minority in-school CETA participants appear to work slightly more weeks at unsubsidized jobs than the matches in 1979, but this advantage disappears by 1980.

We turn next to the results for youth who received either skills training or other services. The breakdown by type of CETA program is reported in Table 2-10. As noted, this is a very broad distinction since many skills trainees could also have participated in work experience, pre-employment services, or other services. The primary difference between the groups is that the skills

TABLE 2-9 - ANNUAL EMPLOYMENT OUTCOMES BROKEN DOWN BY SCHOOL STATUS, RACE AND SEX

	Out of School								In School							
	MALE		FEMALE		WHITE		NONWHITE		MALE		FEMALE		WHITE		NONWHITE	
1979	CETA	Match	CETA	Match	CETA	Match	CETA	Match	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Total weeks worked, subsidized plus unsubsidized	31.0	34.1	26.9	26.1	33.3	31.7	25.4	28.2	27.9	21.3	25.1	21.4	30.0	27.9	24.8	18.2
2. Unsubsidized weeks worked	29.6	35.1	24.2	26.3	30.9	32.1	23.6	28.8	17.3	21.6	15.9	21.4	20.2	27.9	18.4	16.8
3. Proportion who worked at all in unsubsidized work	.71	.84	.64	.70	.68	.81	.67	.73	.43	.68	.42	.66	.47	.76	.40	.63
4. Unsubsidized annual earnings	$ 4384	5669	2432	3377	3854	4655	2937	4224	1291	1783	1057	1486	1396	2169	1082	1382
5. Unsubsidized earnings per week, workers only	$ 167	158	102	123	130	136	139	144	81	91	73	68	75	81	78	81
1980																
1. Total weeks worked, subsidized plus unsubsidized	28.0	30.0	26.6	28.2	30.6	33.0	25.2	26.6	23.2	24.4	24.4	26.0	27.1	29.1	22.3	23.5
2. Unsubsidized weeks worked	26.7	32.4	24.0	28.5	28.7	33.8	23.0	28.0	18.6	25.0	18.9	26.0	23.1	29.7	16.9	23.7
3. Proportion who worked at all in unsubsidized work	.81	.88	.85	.75	.87	.87	.78	.78	.79	.80	.81	.76	.88	.88	.77	.74
4. Unsubsidized annual earnings	$ 4091	6105	2699	5013	3581	5822	3214	5401	1316	2630	1236	2387	1649	2542	1122	2508
5. Unsubsidized earnings per week, workers only	$ 162	172	108	126	125	151	143	150	76	91	80	67	78	86	78	77

trainees participated in a skills training program to prepare them tangibly for employment. We might expect this group to out-perform their matches, even if the entire population of CETA participants did not.

Turn first to the results for the most hard-to-employ, out-of-school youth (2-10A and 2-10B). There are no apparent advantages from receiving skills training in 1979. By 1980, some CETA subgroups top their matches, but only in the unsubsidized earnings per week variable. Male out-of-school trainees and non-white out-of-school trainees who work have higher unsubsidized earnings per week. Although this outcome is restricted to the successful group who found jobs, it is limited evidence of a return to skill training two years later. Considering now other CETA services, CETA again has the advantage only in unsubsidized earnings per week. Among out-of-school youth who received other kinds of CETA services, there is an advantage over the matches for males in 1979. Comparing the gains on unsubsidized earnings per week among the two groups of CETA males, Table 2-10 shows a $19 weekly advantage (in 1980) from skills training and a similar gain for men who received other services (by 1979). This does not suggest a compelling case for skill training against other modes of CETA services.

Next, we consider in-school youth (2-10C and 2-10D). In 1979 and 1980, most subgroups receiving skill training had higher total weeks of subsidized and unsubsidized work. However unsubsidized weeks worked were higher for CETA youth only among whites in 1980. CETA unsubsidized earnings per week are greater in 1979 for the skills training subgroup, but this advantage is gone by 1980. The 1979 CETA skills training advantage is largest for females (in-school), followed by non-whites, whites and then males. Finally, Table 2-10 also shows what happens to in-school participants who received "other" services. CETA females had higher earnings per week in both years. In 1980 males and non-whites had slightly higher proportion who worked at all.

TABLE 2-10A - ANNUAL EMPLOYMENT OUTCOMES BY TYPE OF CETA PARTICIPATION AND SCHOOL, RACE, AND SEX

OUT OF SCHOOL - SKILLS TRAINEES

	MALE		FEMALE		WHITE		NONWHITE	
1979	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Total weeks subsidized and unsubsidized	30.1	35.7	22.9	20.7	28.7	28.6	24.2	26.5
2. Unsubsidized weeks worked	26.1	35.7	20.7	20.7	24.4	28.6	22.1	26.5
3. Proportion worked at all	.64	.85	.64	.59	.66	.73	.62	.69
4. Unsubsidized annual earnings	4228	6426	1938	2720	2907	4921	2952	3960
5. Unsubsidized earnings per week workers only	175.93	184.90	98.41	116.07	122.51	156.36	144.39	147.48
1980								
1. Total weeks subsidized and unsubsidized	27.2	30.5	25.5	29.2	27.6	33.3	25.4	27.8
2. Unsubsidized weeks worked	24.9	30.5	23.9	29.2	25.4	33.3	23.7	27.8
3. Proportion worked at all	.84	.85	.75	.75	.88	.83	.73	.77
4. Unsubsidized annual earnings	4257	6181	2805	5114	3131	5811	3543	5475
5. Unsubsidized earnings per week workers only	208.91	189.7	110.74	130.75	129.27	147.58	167.63	163.98

TABLE 2-10B - ANNUAL EMPLOYMENT OUTCOMES BY TYPE OF CETA PARTICIPATION AND SCHOOL, RACE, AND SEX (Continued)

OUT OF SCHOOL - OTHER CETA PARTICIPANTS

	MALE		FEMALE		WHITE		NONWHITE	
1979	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Total weeks subsidized and unsubsidized	32.7	34.6	30.4	30.0	36.6	34.1	27.1	30.4
2. Unsubsidized weeks worked	32.1	34.6	27.5	30.0	35.9	34.1	24.9	30.4
3, Proportion worked at all	.75	.83	.64	.78	.69	.85	.71	.76
4. Unsubsidized annual earnings	4492	5216	2865	3809	4485	4511	2924	4410
5. Unsubsidized earnings per week workers only	161.19	141.47	104.55	126.38	134.25	126.65	135.21	140.66
1980								
1. Total weeks subsidized and unsubsidized	30.5	33.1	27.7	28.2	32.8	34.0	26.6	28.1
2. Unsubsidized weeks worked	27.4	33.1	24.1	28.2	30.3	34.0	22.7	28.1
3. Proportion worked at all	.85	.90	.80	.75	.87	.88	.80	.78
4. Unsubsidized annual earnings	4022	6076	2631	4959	3789	5826	3027	5364
5. Unsubsidized earnings per week workers only	144.16	169.23	105.91	123.20	122.46	154.93	129.01	143.09

TABLE 2-10C - ANNUAL EMPLOYMENT OUTCOMES BY TYPE OF CETA PARTICIPATION AND SCHOOL, RACE, AND SEX (Continued)

IN-SCHOOL - SKILLS TRAINEES

	MALE		FEMALE		WHITE		NONWHITE	
1979	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Total weeks subsidized and unsubsidized	28.9	20.9	24.9	22.2	28.8	27.5	25.6	18.9
2. Unsubsidized weeks worked	13.6	20.9	13.7	22.2	15.0	27.5	13.1	18.9
3. Proportion worked at all	.33	.67	.36	.70	.32	.77	.35	.64
4. Unsubsidized annual earnings	1146	1876	1271	1698	1188	2118	1226	1620
5. Unsubsidized earnings per week workers only	98.86	94.29	97.48	78.38	84.11	76.60	103.11	90.54
1980								
1. Total weeks subsidized and unsubsidized	20.2	20.1	25.8	25.5	31.0	25.3	20.9	22.1
2. Unsubsidized weeks worked	13.9	20.1	23.2	25.5	26.9	25.3	16.5	22.1
3. Proportion worked at all	.58	.78	.73	.72	.79	.84	.62	.71
4. Unsubsidized annual earnings	917	2363	1255	2476	1588	2262	931	2503
5. Unsubsidized earnings per week workers only	68.64	111.70	57.82	71.97	51.74	97.91	66.31	86.78

TABLE 2-10D - ANNUAL EMPLOYMENT OUTCOMES BY TYPE OF CETA PARTICIPATION AND SCHOOL, RACE, AND SEX (Continued)

IN SCHOOL - OTHER CETA PARTICIPANTS

	MALE		FEMALE		WHITE		NONWHITE	
1979	CETA	Match	CETA	Match	CETA	Match	CETA	Match
1. Total weeks subsidized and unsubsidized	27.9	21.8	25.3	21.1	30.1	28.0	24.7	18.2
2. Unsubsidized weeks worked	18.1	21.8	16.7	21.1	21.3	28.0	15.6	18.2
3. Proportion worked at all	.45	.68	.45	.65	.51	.75	.42	.62
4. Unsubsidized annual earnings	1325	1760	978	1398	1445	2183	1037	1302
5. Unsubsidized earnings per week workers only	77.48	89.72	65.80	63.19	73.35	81.91	71.49	76.88
1980								
1. Total weeks subsidized and unsubsidized	23.8	26.4	23.9	26.2	26.6	31.2	22.6	24.3
2. Unsubsidized weeks worked	19.6	26.4	17.6	26.2	22.5	31.2	17.0	24.3
3. Proportion worked at all	.83	.80	.83	.78	.89	.89	.81	.75
4. Unsubsidized annual earnings	1409	2699	1230	2347	1660	2634	1177	2510
5. Unsubsidized earnings per week workers only	75.70	86.03	87.14	64.34	83.36	81.90	79.21	74.40

Conclusions

The analysis was based primarily on comparisons between the CETA group and a matched comparison group. For both annual and week-of-interview employment variables, one result emerged consistently: CETA group youth worked less in unsubsidized jobs than their matched counterparts. The CETA group did have slightly more school participation, but in terms of unsubsidized employment variables they were noticeably behind.

Assuming that these results are valid, a two-part explanation can account for them:

1) Initially, many CETA group youth were still participating in subsidized jobs. Their time spent in the subsidized job necessarily subtracted from time available for an unsubsidized job. Total work, subsidized jobs plus unsubsidized, was roughly similar between the CETA and matched groups, but the unsubsidized work of the CETA group was low because of continuing subsidized work.

2. As subsidized jobs ended, unsubsidized jobs did not replace them immediately since they were found only slowly. Thus the unsubsidized work of the CETA group remained below that of the matched group. This interpretation implies that the CETA group shortfall should be only temporary and that eventually unsubsidized jobs will be found. However, within the time span observed, the adjustment process was not yet complete. When later NLS interview waves become available, it should be possible to test this interpretation, by examining whether the CETA group eventually catches up.

We considered the possibility that the match might not be adequate. The match was based on only eight variables, which, although important, might not capture all aspects of disadvantage. Perhaps the CETA group was disadvantaged even in comparison to the matched group and that their disadvantage might explain their poor showing. We tried a long list of ability, attitude, and demographic variables. None of them were significant predictors of who was in the CETA or match groups. While many were significant in predicting annual weeks worked and annual earnings in regression analyses, the effect of CETA remained negative and significantly so. It is conceivable that unmeasured aspects of disadvantage might still account for the poorer showing of the CETA group, but the results appeared very robust. We could find no evidence that the CETA group was disadvantaged relative to the matched group.

While the overall picture based on aggregate data is one of the CETA group having less unsubsidized work experience, we considered the possibility that disaggregating the data would show positive CETA effects for particular subgroups. There were, indeed, limited cases of such positive effects. Below is a list of positive CETA effects. The gains shown from CETA participation are not insignificant, but as the list below shows, there is no single pattern as to who gains.

A. School Participation

- Slightly more CETA youth enrolled in school in both follow-up years, but the advantage is only slightly more than one percentage point.
- CETA group youth enrolled in school who are not working are ahead of similar matched group youth by 3 percentage points at the time of the 1981 interview.

- Percentage in school is higher for CETA females in 1980 and CETA nonwhites in 1981.
- Percentage in school is higher for CETA participants who received "other" services (not skills training).

B. Total Weeks Worked, Subsidized Plus Unsubsidized

- Total weeks worked is greater among CETA youth in 1979, a result due to lingering participation in CETA subsidized employment. After 1979, total weeks drop below the matches as subsidized jobs end.
- Minority CETA participants who are in school in the follow-up year work more weeks of unsubsidized jobs than their matches in 1979 but not 1980. Their overall earnings remain lower than the matches in both years.

C. Unsubsidized Employment Variables

- There is growth among girls who mix school and work in unsubsidized employment experience; by 1980 more CETA young girls (enrolled in school and working) work than their counterparts in unsubsidized jobs.
- Generally, the only unsubsidized employment variable for which a CETA advantage appears is earnings per week. Below are the cases of higher CETA earnings per week:
  - Out-of-school CETA males in 1979 earn more per week in unsubsidized dollars ($167 vs. $158), but their advantage is lost by 1980.
  - Young girls who mix school and work in 1979 and 1980 have a consistent pattern of higher unsubsidized earnings per week ($5 to $13 weekly advantage, 1979 and 1980 respectively). However, their annual work experience is lower than the matches so they have overall lower annual earnings.
  - In the second follow-up year (1980) out-of-school males and minorities who received skill training (in 1978) have higher unsubsidized earnings per week.

However, among the males who received "other" CETA services there is also gain; therefore the skills training alone does not seem to account for the higher unsubsidized earnings per week.

- In-school youth in 1979 who received skills training in 1978 have higher unsubsidized earnings per week in 1979 but not in 1980.
- In-school females, nonwhites and whites in 1980 who received "other" skills training in 1978 have higher unsubsidized earnings per week than the matches. Only in-school males fail to register an unsubsidized earnings gain two years after receiving other CETA services.

The remaining chapters of this report dissect the components of CETA to better understand how programs can work in special demonstrations. By focusing on exemplary and enriched approaches, we hope to illuminate why the system as a whole seems to fall short for many disadvantaged youth in the first several years after participation.

Appendix A The Matching Procedure

The matching was based on eight variables, all from the 1979 survey: sex, race, age, family size, family income in 1978, weeks employed in 1978, whether the youth was living at home, and whether the youth was a school dropout. The technical procedure will be described first, followed by a discussion of some conceptual problems in the match.

The matching procedure is that recommended by Donald B. Rubin.* Although regression could adequately control for the matching variables if they were all related linearly to the dependent variable, the matching technique does not presume linearity. Based on Monte Carlo methods, Rubin considers using regression alone, matching alone, and a combination of regression and matching in situations with moderate nonlinearity and imperfect matching. He concludes that the combination of matching and regression is generally preferable to regression alone. Of matching methods, he concludes that "nearest available Mahalanobis metric matching" works best. This is the procedure that has been followed here.

The procedure may be summarized by the following steps:

1. The non-CETA sample was limited to youth whose family income was less than $25,000 in 1979 and who had no missing data on any of the matching variables.

2. The CETA youth were arranged in a random order. The subsequent steps were applied for each CETA youth, taken in the randomized order.

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*Donald B. Rubin, "Using Multivariate Matched Sampling and Regression Adjustment to Control Bias in Observational Studies," Journal of the American Statistical Association, vol. 74, No. 366, June 1979.

3. Let X_i represents the vector of matching variables for CETA youth i and X_j the corresponding vector for non-CETA youth j. Then for CETA youth i, the Mahalanobis distance between X_i and X_j for any non-CETA youth j is calculated:

$$(X_i - X_j)\, S^{-1}\, (X_i - X_j)^T$$

where S is the pooled within-sample covariance matrix of the eight matching variables over the CETA and non-CETA samples. The distance between X and X is calculated for every j.

4. For CETA youth i, the non-CETA youth j chosen as a match is the one with smallest Mahalanobis distance. Once a non-CETA youth is chosen as a match, he is removed from the list and not considered for subsequent matching: no non-CETA youth can be matched to more than one CETA youth.

5. When the value on a matching variable for CETA youth i is missing, the difference on that variable, $x_i - x_j$, is set equal to zero for all j. This in effect removes the variable from the matching process for CETA youth i. (Non-CETA youth considered had no missing variables.)

The conceptual problems arise in choosing the variables to use in the match. The dependent variables to be analyzed by the study are post-CETA (1979, 1980, and 1981) work and school variables. Past work experience is often one of the best predictors of a work variable. Thus to construct a matched group similar to the CETA group, we used predetermined values from 1978 of weeks worked and school dropout status. The variable for weeks worked includes work on both unsubsidized and subsidized jobs. This creates a possibility of bias in the direction of understating the effect of CETA. For the matched group, it is reasonable to assume that the observed weeks worked equals on average the normal or expected value of weeks worked. However, this may not be true for the CETA group. Consider two possible cases.

1. The observed total weeks worked, subsidized plus unsubsidized, equals normal weeks worked. This means that even if CETA were not available, the youth would still work the same amount, but all in unsubsidized jobs.

2. The observed total is transitorily high because of participation in CETA. In this case youth would normally work less than the observed amount if CETA were not available.

In case 1 where the observed equals the normal amount for both groups, there is no problem: both groups can be presumed to have similar work orientations and good opportunities to find jobs. However, in case 2 the matched group is likely to continue at its normal rate into the follow-up years while the CETA group will fall to its lower normal rate. CETA group weeks worked in follow-up years will appear less than for the matched group, but only because the match was in one sense inappropriate: the matched group began with either a stronger work orientation or better opportunities to find work. Ideally, the groups should be matched on the basis of their 1978 normal weeks worked, which is accomplished only if case 1 holds. Notice that the problem that arises here is similar to that which occurs in follow-up years as a result of youth lingering in unsubsidized jobs. Does CETA simply substitute for unsubsidized work, or does it provide an extra employment opportunity not otherwise available to the CETA group?

Table A compares the means of the eight matching variables for the CETA group, the matched group, and the non-CETA youth not included in the match. Generally, the means for the CETA and matched group are extremely close. The biggest and only noticeable difference comes in the weeks worked variable where the matched group mean is 15 percent below the CETA group mean. This result in the matching process may tend to offset the possible bias that would result if case 2 were true.

Table A also shows that the non-CETA youth not matched are on average noticeably different from the CETA and matched groups. For example, the youth not matched are more frequently female, white, and older. Their families are smaller and have higher incomes. They are also more likely to live away from home.

TABLE A - COMPARISON OF MATCHING VARIABLES BETWEEN CETA, MATCHED AND UNMATCHED SAMPLES

	IN CETA In '78	NOT IN CETA* Matched	Not Matched
Sample size (N)	1114	1114	3494
Proportion female	.4749	.4758	.5695
N	1114	1114	3494
Proportion white	.3654	.3654	.6554
N	1114	1114	3494
Mean family income, 1978	8790	8699	10,135
N	973	1114	3494
Mean weeks employed, 1978	23.40	19.80	24.27
N	842	1114	3494
Proportion not living at home	.1674	.1724	.3789
N	1105	1114	3494
Mean family size	5.09	5.00	3.93
N	1114	1114	3494
Mean age, 1978	17.59	17.81	17.86
N	1114	1114	3494
Dropout, 1978	.1679	.1679	.2407
N	1114	1114	3494

*Not-in-CETA-sample restricted to those not in military in 1978; with family income less than $25,000 in 1978; and with no missing observations on any of the matching variables.

Appendix B Key Variable Descriptions

Total Weeks Worked

This is the total number of weeks the respondent reported working during the survey year.

Unsubsidized Weeks Worked

To calculate unsubsidized weeks worked we used the starting and ending dates reported for each job during the survey year, subtracting all periods respondents reported not working during this period of employment. However, when calculating the total weeks employed for each year by this method we found large discrepancies between the total weeks calculated and the total weeks reported for the year. Some of these discrepancies are accounted for by respondents being employed at two or more jobs simultaneously, with the remainder of the discrepancy presumably due to reporting error. On the assumption that the respondent's recall was more accurate for the total number of weeks employed than the starting and ending dates of each job and each period they were not working during their overall employment, and to correct for simultaneous employment at more than one job, we made the following correction for this variable. Using the starting and ending dates of each job we calculated the total number of weeks of unsubsidized employment (cunsub) and total weeks of subsidized employment (csub). Unsubsidized weeks was calculated as the proportion of calculated cunsub wks to calculated total weeks employed, multiplied by the reported total weesks employed:

$$\text{unsub wks} = (\text{cunsub}/(\text{cunsub} + \text{csub})) \times \text{R Total Wks}$$

Unsubsidized Annual Earnings

To calculate unsubsidized annual earnings, the length of employment at each job was multiplied by the pay rate. Again, there were discrepancies between total earnings thus calculated and the respondents reported total income for the year. The same correction used for weeks was used for earnings:

$$\text{unsub earnings} = (\text{cunsubE}/(\text{cunsubE} + (\text{subE})) \times \text{R annual earnings}$$

Unsubsidized Annual Earnings Per Week

Was calculated as the annual unsubsidized earnings divided by the unsubsidized weeks worked.

Job-School-Work Status

This variable is broken down into the following categories, based on status at the time of the interview:

1. Those not working and not currently enrolled in a regular school
2. Not working, currently attending a regular school
3. Those currently employed in an unsubsidized job, not attending school
4. Currently employed in an unsubsidized job, attending school
5. Currently employed in a subsidized job, not attending school
6. Those who were in the military during the survey year.

Appendix C - Reconciling the Brandeis NLS Analysis and the PRG NLS Analysis of CETA Impacts

In June 1983 a new report was submitted to the U.S. Department of Labor by the Ohio State University as part of a research program using the National Longitudinal Survey. The new report by the Policy Research Group (PRG) in Washington, DC is the only other known study on the effectiveness of the entire CETA system on disadvantaged young participants. This Appendix discusses the two reports and the consistency of the results. The second part of the Appendix presents responses to readers of a draft version of this chapter.

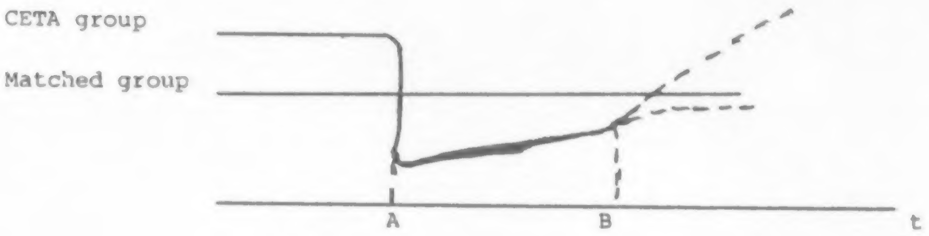
A. Our results on the effects of CETA on unsubsidized employment are largely consistent with those in the Policy Research Group Report, "Socioeconomic Impacts of Recent Government-Subsidized Employment and Training Programs on Youth" (Washington, DC, 1983). That report evaluated not only CETA, but also VOCED and Work-Study programs. The VOCED and to a lesser extent the Work-Study results showed strong positive effects on employment. However, the CETA results were in many cases negative, as were ours.

The PRG report measures time for each individual from the date of CETA completion. We, in contrast, measure outcomes at uniform points in calendar time. We in effect lump together the various cohorts of CETA participants, including some who are still participants along with others who have long finished. The PRG approach keeps the cohorts separate. There is an advantage to the PRG approach in that it allows an estimate of the time pattern of the effect of CETA. What is interesting, is that despite the differences in approach, the results are remarkably similar.

Averaging over quarters, the PRG report shows negative, usually significant effects of CETA on most employment variables (Table 3-2). The only positive effect is on the probability of being in an unsubsidized job, but this is insignificant at the 5 percent level. When quarters are not averaged (Table 3-9), all employment effects are initially negative, most significantly so. However, one year after CETA completion, the effect on unsubsidized earnings becomes positive and after two years this positive effect becomes significant. The effects on hours and months of unsubsidized employment remain always negative while the effect on the probability of being employed in an unsubsidized job is usually negative. The PRG results thus show only one exception to the negative story and this appears only after a very long lag.

Interpreting our results is more complicated because of the mixing of cohorts. Nevertheless, we can make some inferences about the time pattern of effects since we measure each outcome at two times. Considering our school-work status variables, we found significantly less unsubsidized work among the CETA group than in the matched group in both 1980 and 1981. In trying to account for the CETA deficit, we found that in 1980, 72 percent of it was explainable by the fact that many youth were still participating in CETA, a result due to our mixing of cohorts. However, by 1981 the CETA deficit persisted, but continuing CETA participation accounted for only only 27 percent of the deficit. The growth in the proportion in unsubsidized jobs for the CETA group was double the growth rate for the matched group, but because of our mixing of cohorts, the gains of the job finders were offset by the inflow of new CETA completers without unsubsidized jobs: our CETA group could not catch up with the matched group in spite of extensive job finding because of this inflow.

We hypothesized that if we could follow the youth for another year, gains from CETA might actually appear, as few youth would be left who were just completing CETA. Basically, we hypothesized a time profile for one CETA cohort on a typical employment variable to look like this:



The CETA group participates in CETA up to time A; total employment (including subsidized) is shown slightly higher for the CETA group because it was so on average for our CETA group. Participation ends at time A. Total employment drops sharply at this time, as some find unsubsidized jobs immediately, but many do not. Unsubsidized jobs are found gradually up to time B, when our observation ends with the CETA group still below the matched group. Two outcomes are now possible: the CETA group could catch up with the matched group or could even surpass it. Our data do not permit us to predict which the actual time path will be. The PRG results suggest that if the employment variable is unsubsidized earnings, the higher path will be followed. For other employment variables, it will be the lower path. In both cases the lags are long.

After breaking down results by subgroups, we found some instances where the CETA group actually outperformed the matched group. The employment variable most frequently showing a positive effect was unsubsidized earnings per week, perhaps consistent with the PRG reported long-term success for unsubsidized earnings.

We always found the CETA group ahead in terms of school participation as did the PRG report.

Concerning our matching procedure, we matched on only 8 variables. However, we found no significant differences between the CETA and matched groups in terms of a long list of additional variables. In effect the CETA-match variable within our sample was essentially orthogonal to the set of all the control variables included in our regressions. Thus the estimates of CETA effect from our regression analysis were essentially similar to the results of simple comparisons of means. Since our matching procedure seemed to be so effective, we relied primarily on comparisons between CETA subgroups and their matched subgroups.

To conclude, both the PRG results and our own show negative and significant effects of CETA on employment variables. It is only after going out two years in time after CETA completion that the PRG report finds evidence of a positive, significant effect and that on only one variable, unsubsidized earnings. We cannot confirm this positive effect, but it would not be inconsistent with our results. It is difficult to claim this as an impressive success for CETA.

B. Response to Reviewer's Comments

1. Is the outcome measure - unsubsidized employment - the best or right outcome measure for youth?

Of course, CETA might have effects on many other variables. The remaining chapters of our report will deal with these other effects. However, politically the motivating concern in establishing a CETA program was to do something to improve unsubsidized employment experiences of disadvantaged youth. Other outcome variables become particularly interesting only after discovering that positive employment effects are absent. How do we account for the absence of an employment effect? What is the nature of the post-CETA adjustment process? Perhaps by looking at other variables we may be able to understand why employment experiences are so poor. Looking at employment first poses the problem to be explained by evaluating impacts on other outcomes.

2. Do we know what services the non-CETA matches had and are we sure they were just in non-CETA?

It is true that both the matched group and the CETA group might have participated in programs like Voc. Ed. and Work Study. We did not control for these. However, if the worse performance of the CETA group results from the fact that the matched group had other services, this is hardly a favorable reflection on CETA. As best we can determine, the characteristics of the groups are otherwise similar. Thus, if the difference were due to other treatments, it would mean that those treatments are superior to CETA.

Although we did not control for other treatments, the PRG study did. It found worse CETA performance on most employment measures even while controlling for Voc. Ed. and Work Study.

3. Is the school analogy a good one since schools offer a reasonably homogeneous treatment while CETA treatments were heterogeneous?

In the case of schools, aggregative studies of school programs have found an absence of effect, while examinations of individual programs have found successes and exemplary plans. School programs are not homogeneous at all, but reveal as much heterogeneity as the CETA programs. We feel that the analogy is very much to the point. It deals directly with the claim, so common these days in political argument, that social programs do not work. The findings in both the school area and now with CETA confirm that a global evaluation of a heterogeneous social program may indeed find a failure. The case of schools shows that although an aggregative view finds failure, there are many exemplary programs which succeed, but which are overwhelmed by the failures when all are lumped together. It now appears that the same may be true in the case of CETA. There is thus an element of truth to the political argument in that many forms of social programs do not work. However, as later chapters will show, there are some enriched programs that do work. The flaw is to draw too strong a conclusion from aggregative research.

4. Is there reason to believe that the CETA youth were different - more likely to be marginal or rejected by the private sector?

Our matching procedure was motivated by the belief that the CETA group might be disadvantaged relative to the entire NLS sample. This proved to be true, based on an examination of a number of variables that might measure disadvantage. Thus a failure to match would have led to even worse performance of the CETA group relative to a comparison group. We believe that our matched group is very close in background characteristics to the CETA group. While we selected on only 8 variables, subsequent tests showed that the groups also did not vary significantly on a much more extensive list of control variables, including many measures of background and ability. We cannot rule out the possibility that the CETA group remains disadvantaged in terms of some unmeasured factor. However, our explorations on a large set of measured variables produced no evidence that the CETA group was more disadvantaged relative to our constructed match group.

CHAPTER 3 - EFFORTS TO HELP OUT-OF-SCHOOL YOUTH THROUGH INTENSIVE SKILL TRAINING

1.0 - Introduction

Training programs cover a wide variety of services, including classroom skills training, remedial education, pre-vocational education, and on-the-job training. This chapter concentrates on intensive skills training programs under YEDPA for the least employable group of poor youth--school dropouts. The most comprehensive attempt to evaluate intensive skills training programs for school dropouts was the research on the residential Job Corps program. We cover the major lessons from the Job Corps research in Sections 2.0-3.0. In Sections 4.0-5.0 we cover the effects on dropouts of participating in enriched non-residential skill training programs. Section 6.0 covers a sampling of in-school training impacts.

Recall the evidence presented in Chapter 2 of this report which analyzed the effects on dropouts and in-school youth of participating in regular formula-funded non-residential skill training programs in the overall CETA system. The findings from Chapter 2 suggest that most youth gained little in increased employment or earnings. The data in sections 4.0-6.0 are not nearly as robust as the Job Corps results, but are included to see whether enriched skills training programs pay off more than the regular training services offered by CETA prime sponsors. Much of the data in Sections 4.0-6.0 are based on estimations using YEDPA-funded data sources.

Finally, Section 7.0 presents cases and lessons from model YEDPA skill training programs. All sections of the report are organized to draw key lessons for administering nonresidential skills training programs under the new Jobs Training Partnership Act. Before turning to the Job Corps results, we briefly summarize information on the numbers of young dropouts receiving vocationally- oriented skills training under CETA.

1.1 Dropouts Enrolled in Skills Training Under CETA

In Chapter 2 we reviewed several approaches to counting the number of CETA youth who were in a skill training program based on analysis of the NLS. Using the standard approach employed by Ohio State University, about 29% of the overall CETA sample received skills training services. Those youth included both in-school and dropout youth. Now consider estimates from government sources for FY 1980.

Approximately, 81,376 youth dropouts were enrolled in non-residential skills training programs. This would include 13,566 dropouts in YETP's (Title IV of CETA) classroom training components; 748 dropouts in YETP on-the-job training (OJT); 39,039 in adult CETA Title II classroom training; 7,598 in adult OJT; and 20,435 in YCCIP.* The nation's largest skills training program for dropouts was a residential program, the Job Corps. It enrolled 70,400 new participants in FY 1980 including 58,432 dropouts. Thus, Job Corps alone enrolled nearly as many dropouts as did all other CETA skill training programs combined. Together, Job Corps' dropouts and the dropouts receiving skills training in other CETA programs comprised about 6 percent of all new participants in CETA programs in 1980. Clearly, under CETA, skill training for dropouts was not a high priority. In fact, dropouts were the majority group enrolled only in two CETA youth programs. Dropouts made up 77 percent of Job Corps enrollees and 60 percent of YCCIP enrollees, but only 22 percent of YETP enrollees, 6 percent of SYEP, and 12 percent of YIEPP. Overall, a fair summary is that few dropouts in the federal employment training system received intensive skills training as a proportion of all enrollees during the CETA years. The "T" in CETA for dropout youth was mostly pre-vocational, work experience, or purely educational.

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* Department of Labor, Regional Automated System reports for 1980 and CLMS.

At one level, the proportion of enrollees who are dropouts appears as a small part of total CETA enrollees. Next, consider whether the dropouts enrolled are a fair share of youth needing help in finding jobs or training. To answer this questions, we cite data from the Job Corps, the CETA program with the largest share of dropout enrollees. The number of long-term unemployed 16-24 year-olds equalled 2.8 million in 1977. Of course, Job Corps had a mandate to serve only 16-21 year-olds from low income families. If we restrict the pool to cover only low income dropouts with poor employment experience, the universe falls substantially. On the basis of tabulations drawn from the National Longitudinal Survey of 1979, we can determine the total number of youth who are income eligible and have poor employment experiences. Not all of these youth may want to work or engage in residential education and training of the type offered by Job Corps. Nevertheless, the numbers are useful as starting points for examining the extent of Job Corps coverage.

In 1979, the total numbers of income eligible dropouts by race and sex were:

Black Males	204,000
White Males	326,000
Black Females	197,000
White Females	373,000
Others	257,000

Of these dropouts, far from all had poor enough employment experiences to suggest a strong interest or need for Job Corps. Without developing a detailed model for predicting who is likely to enter an open-ended Job Corps program, we can still gain some indication of the pool by examining the share that was unable to work more than three-quarters of the prior year (1978). When we subtract from the total those with substantial employment in 1978, we reach the following numbers for income-eligible dropouts:

Black Males	142,000
White Males	206,000
Black Females	180,000
White Females	146,000

These figures are outer limits on the number with serious employment problems since they include thousands of dropouts for whom 1978 employment information was missing. For example, weeks employed responses were missing for 29,000 black males and for 63,000 white males. Moreover, not all of those who recorded low employment would have a strong interest in Job Corps. This is especially true for young women. A strikingly high share of young women dropouts have their own children. In 1979, 72 percent of black women dropouts and 45 percent of white women dropouts lived with their own children. In contrast only 15-20 percent of young male dropouts reported having children.

A final adjustment to the numbers is appropriate before comparing the size of the primary target group to the number of new enrollees. In order for Job Corps to attain full coverage of the primary target group, the program would only have to serve about one-sixth of the pool in a single year. This is because full coverage would not require covering the same youth in more than one year and because the overlap of potential eligibles from one year to another is substantial. If Job Corps covered in each year all newly eligible dropouts requiring employment help, then it would only have to provide slots for just over one-sixth of the totals noted above. Alternatively, consider what would happen if Job Corps covered the entire 16-21 year-old pool in a single year. The following year the program could become scaled back by over 80 percent, since only newly eligible 16 year-olds would be in need of services.

If we adjust for nonreporting and the presence of children among young women and divide the remaining figures by 5 (instead of 6 to allow for less than complete overlap from one year to the next), we arrive at the following figures for income-eligible dropouts requiring service in a single year:*

	Pool	Actual New Enrollees
Black Males	25,000	25,300
White Males	36,000	11,600
Black Females	13,000	11,000
White Females	38,000	7,500

These figures suggest a pool within the range of coverage through Job Corps. Of course, desired participation in Job Corps will vary from one year to another, in part because of general economic conditions. In a particular year, there may be a large backlog of youth wanting to enter Job Corps. An apparent increase in the size of the waiting list over the last two years suggests that poor economic conditions are driving youth to join any program that offers a source of current or future income. Some of the backlog may also come as eligible youth who are high school graduates decide to enter Job Corps, in spite of the program's emphasis on serving dropouts.

Notwithstanding the various caveats, the figures reported here highlight the fact that at FY1980 levels, Job Corps did reach a high share of youth in the primary target groups who are likely to want to enter the program.

In summary, CETA did not enroll a very high share of dropouts in skills training components, but its most significant dropout program, Job Corps, was well targeted and reached a large share of the eligible population in need of its services. The effects on participating youth in Job Corps are discussed next.

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* We assumed that 40 percent of black women and 30 of white women in the primary target group on income, education, and employment status would not want to enter Job Corps because of the presence of their own children. As note above, this adjustment would still leave substantial portions of young mothers as potentially interested in entering Job Corps.

2.0 - Job Corps

Since its inception under the Economic Opportunity Act of 1964, Job Corps has provided comprehensive services to out-of-school, low income youth. Its delivery of basic education, vocational skills training, and health assistance in a residential setting has made Job Corps the most intensive program aimed at raising the job readiness of disadvantaged youth. The goal of Job Corps has remained the same since 1964: to increase the potential of disadvantaged youth to become self-supporting and to escape from the cycle of poverty.

Job Corps is the nation's largest youth skill training program. It is mostly residential and five out of six participants are high school dropouts. Unlike most other programs, Job Corps is operated directly by the federal government. Job Corps is distinctive in that few other employment and training programs serve such a high share of dropouts, few other youth programs concentrate on skill training, and almost no other skill training program for dropouts is as intensive as Job Corps. Of all the youth programs, Job Corps generally accepts those with the poorest educational backgrounds and employment prospects. Under YEDPA, Job Corps' enrollees were expanded twofold from a base of about 22,000.

Although the Job Corps has operated since the mid 1960's, it is only within the last five years that a thorough evaluation has become available, as part of the YEDPA effort. The evaluation performed by Mathematica Policy Research, tracked a large sample of youth participating in Job Corps in 1977 as well as a carefully selected comparison group. The focus of the evaluation was on the differences between Job Corps enrollees and the comparison group with respect to employment, earnings, educational attainment, receipt of public assistance, and criminal activity. Given the multi-service nature of Job Corps, it is difficult to disentangle the role of training as distinct from other services in aiding low income youth. Nonetheless, the large service cost of this intensive residential program (about $13,000 per service year in 1979) yielded positive returns.

Early YEDPA studies reported the following encouraging findings:*

- The quality, intensity, and scope of remediation services was greater in Job Corps than in other programs. The longer a participant spent in a Job Corps setting, the more likely he/she was to complete the program and the higher the expected employment rate and/or starting wage. However, the overall Job Corps dropout rate was over 50%. (See Table 3.1).
- At seven months after the program period, Job Corps terminees had a labor force participation rate of 82% in contrast to 24% of controls; earnings were higher for Job Corps youth, about 10% higher than nonenrollees, especially among Job Corps completers.
- At entry, 45 percent of Job Corps males reported previous arrests; nearly 30 percent had convictions and approximately 16 percent had a jail record. Among females, 20 percent had previous arrests and 10 percent convictions.

The evaluations document significant employment gains for previous offenders, especially among females. In addition, Job Corps induced significant reductions in crime, as indicated by the fact enrollees' arrest rates in the seven-month period after termination were 60% of the arrest rates in the comparison group.

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* Job Corps Expansion and Enrichment: A Report on Progress, Problems, and Prospects, U.S. Department of Labor, Washington, DC. February, 1979 and Mathematica Policy Research, Evaluation of the Economic Impact of the Job Corps Program, Princeton, NJ, 1978.

Table 3-1

Fiscal 1978 Job Corps Enrollment

Months in Job Corps	Employment Rate	Starting Wage
0-3	65.1	$2.85
4-6	65.5	3.06
7-9	72.6	3.16
10-12	77.3	3.34
13-15	79.2	3.39
15+	79.5	3.47

Estimated savings in victimization, court, and correction costs equaled one-half of the total costs of Job Corps.

- Percent of time spent on welfare in the seven-month post-program period fell by 40 percent; receipt of other public benefits also dropped significantly, amounting to approximately $250 in savings per participant.
- In the postprogram period, participants were 40 percent more likely to have a high school diploma or GED than were nonparticipants. Enrollments in college and training programs were 60 percent higher for participants than for controls.
- The positive benefits took place during a period of declining costs. In constant dollars, the annual costs in 1978 was 68 percent that of 1968. The results of a Mathematica Policy Research benefit-cost study estimated that the value of benefits in 1978 exceeded costs by $251 per participant.

The evaluation studies also revealed several problem areas:

- o Residential programs were not suitable for all participating youth. Among the most frequently cited reasons for the large noncompletion rate in Job Corps was "homesickness." The average stay in Job Corps was 5.7 months. Many youth, particularly the youngest, complained of poor food and other standards in the residential settings. Low pay was also a major complaint of Job Corps members. Allowance maximums for long-term residents is fixed by Congress (1979) at approximately $100 monthly.
- o Placement services required upgrading; 75 percent of all Job Corps members reported that they needed additional placement assistance. During the first two months after termination, Job Corps participants actually had lower employment and earnings than did nonparticipants. Interestingly, positive benefits did not predominate until the seven-month period.
- o Only 14.5 percent of Job Corps youth who complete the program were placed in jobs for which they are trained. Older Job Corps youth were significantly more likely to be placed in training-related jobs.

Recent Job Corps evaluations confirmed the impression from earlier studies that Job Corps is a government program that works. In the latest study (1982) covering four years of post-program experience (after 1976), authors from Mathematica Policy Research (MPR) reported that net earnings gains in constant 1980 dollars persisted for four years after program participation. The gains (1980 dollars) in Year 1 were $377; Year 2, $769; Year 3, $465; and Year 4, $33. Many of the positive benefits per Corps member appear in the two following summary tables, reprinted from the 1982 Mathematica report. Clearly,

TABLE 3-2

SUMMARY OF MAIN FINDINGS FOR OVERALL IMPACTS PER CORPSMEMBER ON AN ANNUALIZED BASIS

Variable	Estimated Job Corps Effects For First Year After Termination	Estimated Job Corps Effects For Second Year After Termination	Estimated Job Corps Effects For Third Year After Termination	Estimated* Job Corps Effects For Fourth Year After Termination
1. Weeks employed, civilians	1.56	4.84	3.12	1.35
2. Weeks employed, controlling for nonlinear time trends, civilians	1.75	4.20	2.80	2.04
3. Weeks employed, civilians & military	1.35	5.04	4.06	2.81
4. Weeks employed, controlling for nonlinear time trends, civilians & military	1.53	4.37	3.69	3.51
5. Earnings, civilians	$406	$626	$386	$ 77
6. Earnings, controlling for nonlinear time trends, civilians	$571	$608	$442	$370
7. Earnings, civilians & military	$376	$736	$626	$533
8. Earnings, controlling for nonlinear time trends, civilians & military	$515	$667	$652	$787
9. Probability of high school diploma or GED	0.239	0.265	N.A.	0.275
10. Weeks in college, civilians	0.39	0.55	0.65	1.04
11. Weeks in college, civilians & military	0.16	0.29	0.34	0.65
12. Weeks in high school, civilians	-1.51	-1.20	-0.68	-0.60
13. Weeks in high school, civilians & military	-1.22	-0.99	-0.55	-0.26
14. Weeks of serious health problems, civilians	-1.01	-1.07	-1.22	-1.09
15. Weeks of serious health problems, civilians & military	-0.96	-1.07	-1.22	-1.12
16. Weeks received any cash welfare, civilians	-2.99	-1.87	-2.31	-1.46
17. Weeks received any cash welfare, civilians & military	-2.96	-1.87	-2.37	-1.51
18. Weeks received Unemployment Insurance, civilians	-1.37	-0.65	-0.75	-0.70
19. Weeks received Unemployment Insurance, civilians & military	-1.04	-0.65	-0.75	-0.75

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* Source: Mathematica Policy Research (1982), pp. ix-x.

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TABLE 3-3

ESTIMATED NET PRESENT VALUES PER CORPSMEMBER UNDER THE BENCHMARK ASSUMPTIONS
(1977 DOLLARS)

	Perspective[a]		
	Social	Non-Corpsmember	Corpsmember
BENEFITS			
A. Output Produced by Corpsmembers			
o In-program output	$ 757	$ 673	$ 83
o Increased postprogram employment output	3,276	0	3,276
o Increased postprogram tax payments	0	596	-596
B. Reduced Dependence on Transfer Programs			
o Reduced public transfers	0	791	-791
o Reduced administrative costs	172	172	0
o Increased utility from reduced welfare dependence	+	+	+
C. Reduced Criminal Activity			
o Reduced criminal justice system costs	1,253	1,253	0
o Reduced personal injury and property damage	1,366	1,366	0
o Reduced stolen property	300	462	-162
o Reduced psychological costs	+	+	+
D. Reduced Drug/Alcohol Abuse			
o Reduced drug/alcoholism treatment costs	31	31	0
o Increased utility from reduced drug/alcohol dependence	+	+	+
E. Reduced Utilization of Alternative Services			
o Reduced costs of training and educational programs other than Job Corps	244	244	0
o Reduced training allowances	0	33	-33
F. Other Benefits			
o Increased utility from redistribution	+	+	+
o Increased utility from improved well-being of Corpsmembers	+	+	+
Total Benefits	$7,399	$5,621	$1,777
COSTS			
A. Program Operating Expenditures			
o Center operating expenditures, excluding transfers to Corpsmembers	$2,796	$2,796	$ 0
o Transfers to Corpsmembers	0	1,208	-1,208
o Central administrative costs	1,347	1,347	0
B. Opportunity Cost of Corpsmember Labor During the Program			
o Foregone output	881	0	881
o Foregone tax payments	0	153	-153
C. Unbudgeted Expenditures Other than Corpsmember Labor			
o Resource costs	46	46	0
o Transfers to Corpsmembers	0	185	-185
Total Costs	$5,070	$5,735	-$665
Net Present Value (Benefits minus Costs)	$2,327	-$115	$2,442
Benefit-Cost Ratio[b]	1.46	0.98	1.99

NOTE: Details may not sum exactly to totals because of rounding.

[a] In addition to the value to society as a whole, the estimates are calculated from the non-Corpsmember and Corpsmember perspectives in order to indicate redistributional effects. In doing so, Corpsmembers are treated as nontaxpayers (except for their own taxes) to simplify the exposition, and non-Corpsmembers encompass everyone in society other than Corpsmembers.

[b] The numerators for the benefit-cost ratios include all of the benefits listed in this table as either positive benefits or negative costs, and the denominator includes all of the costs listed in this table as either positive costs or negative benefits.

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Job Corps works, but is it possible to disentangle the key features which distinguish Job Corps from other youth programs?*

3.0 - Key Job Corps Elements

In addition to the residential aspect of Job Corps, there are seven other elements that are important for the multi-faceted Job Corps program. Four relate to Job Corps' unique service mix: (1) the combination of work, training, and education; (2) the provision of support services; (3) the use of program benchmarks and the balance between a standard curriculum and opportunities for individual advancement; and (4) the intensity of the programming. Three additional elements relate to the administration of Job Corps: (5) Job Corps' federal administration utilizing private sector contractors; (6) staffing and supervision in Job Corps; (7) Job Corps' subsidies to participants.

The residential aspect of Job Corps is treated as a "given" in this section. Unfortunately, there are no careful studies that specifically compare Job Corps day centers to Job Corps residential centers. Without these data, there are few definitive conclusions that can be drawn about the Job Corps' residential element.

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* Sources: Goldberg, J. (1978) The Noneconomic Impacts of the Job Corps. Cambridge, MA: Abt Associates.

Mallar, C., et al. (1978) A Comparative Evaluation of the Benefits and Costs of the Job Corps after Seven Months of Post-Program Follow-Up. Princeton, NJ: Mathematica Policy Research.

Mallar, Charles, et al., Evaluation of the Economic Impact of the Job Corps Program. Third Follow-Up Report (Draft) to U.S. Department of Labor, May 1982.

U.S. Department of Labor, (1979a) Job Corps Expansion and Enrichment: A Report on Progress, Problems and Prospects. Washington, DC: Government Printing Office, 1979.

Job Corps' Service Mix

3.1 - The Combination of Work, Training and Education

Numerous studies have shown that mastery of basic skills can lead to increases in youth employability. The idea of linking basic skills remediation and work experience goes back to the career-based education movement, the vocational education system, and more recently, CETA's experiment with the 22 percent set aside formula in YETP. The importance of this connection formed the basis for the Jobs Training Partnership Act with its emphasis on education and employment services. Policy-makers continue to be reminded of the importance of the connection (See, for example, the March 1982 GAO report, Labor Market Problems of Teenagers Result Largely from Doing Poorly in School).

For two decades, Job Corps alone successfully combined skills training, work experience, and basic skills remediation. In fact, Job Corps' experiments with computer assisted instruction (CAI) through YEDPA's Educational Improvement Effort (EIE) have become a national model for non-residential employment programs and the mainstream educational system.

The Job Corps' Educational Improvement Effort provides the best evidence on how programs can raise basic skills achievement levels in an environment that also provides work and skill training. After the Job Corps engaged in an extensive search for educational materials and other resources, it designed an experiment to test alternative approaches for enhancing the basic educational components of Job Corps. The new approaches included computerized instruction, new job-referenced models of basic education, the use of trained students as teacher aides, and video-cassette supplements.

In order to evaluate the impact of the enhanced approaches, Job Corps enrollees were assigned to experimental and control components. The results indicated that educationally enhanced components were highly successful. Students in the experiment, for example, in the Gary Job Corps Center, increased their reading skill at 2.5 times the normal rate achieved in public schools for each month of Job Corps instruction. This impressive result illustrates how the Job Corps' can effectively deliver remedial education services.*

3.2 - Support Services

It is difficult to disentangle in a statistical sense the precise role of support services from training, work experience, or education in aiding low income youth in the Job Corps. Site visits and published reports make clear the importance of support services in achieving these results. In contrast to non-residential CETA programs, which are primarily concerned with economic impacts or socialization of participants, the Job Corps has been found to have a number of benefits in non-economic areas. An Abt study shows health benefits and reduction in crime. Job Corps enrollees, for example, were provided ten times as many medical visits as they would have received outside of Job Corps. We know also that the medical visits were necessary; physical examinations at entry revealed previously untreated conditions among 14 percent of the enrollees. Some 68 percent of men and 82 percent of women enrollees received dental care in Job Corps. In terms of health education, participants who spent three months or more in Job Corps chose more nutritious foods than program dropouts or a comparison group. The Abt study (as well as the basic Job Corps evaluation by MPR) found that Job Corps enrollees had less involvement in the criminal justice system than a comparison group.*

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* Barry J. Argento, Kenneth D. Feingenbaum, Arlene R. Malech, Danielle L. Schultz, and Robert Taggart, Alternative Educational Models--Preliminary Findings of the Job Corps Educational Improvement Effort (Washington, DC: Office of Youth Programs, U.S. Department of Labor, 1980). November, 1981 Unpublished memo on "Gary CAI Gains--Update" by TEAM Associates.

Job Corps' track record for serving dropouts in a program that effectively combines work, training, and education may be compared to Entitlement. Unpublished data from the evaluator of Entitlement (MDRC) shows that many of the dropouts who returned to school (as a result of a guaranteed part-time job and alternative education offering) never did in fact graduate, although employment and school attendance gains were positive. Chapter 4 covers the results for dropouts in Entitlement.

These noneconomic outcomes may be compared to those from the nonresidential Supported Work demonstration for young dropouts which, like Job Corps, provided dropouts with extensive support services. In that program, Supported Work had no noticeable effect on drug use and resulted in inconsistent findings in the crime area. There were no documented health effects since this type of program typically ignores health-related barriers to employment.**

3.3 - Standardization and Individualization

Most activities in Job Corps are structured according to detailed national standards. For example, the use of standardized competency-based assessment systems, uniform programming guidelines, and uniform reporting systems for the vocational and educational components in Job Corps allows one to compare program indicators across centers. It also means that performance can be meaningfully assessed from a few key indicators. Such Job Corps features pre-date JTPA and serve as the foundation for the current wave of interest in program standards, performance indicators, and competency-based achievement systems.

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* Abt Associates (1978), The Non-Economic Impacts of Job Corps (Cambridge: Abt Associates) U.S. DOL, ETA, Washington, D.C.

**Maynard, Rebecca, The Impact of Supported Work on School Dropouts. MDRC, NYC, 1980.

Most local CETA programs provided work, training or other services for a limited period of time and then placed clients as soon as possible into jobs. The Job Corps, from its inception, sought to provide comprehensive, individualized, self-paced activities over an extended treatment period. The goal of the open-entry, open-exit experience is to advance the individual as far and as fast as possible for him/her. In most Job Corps programs, enrollees were placed according to ability or interest, advanced as rapidly as possible, were rewarded for measured accomplishments, and competed for advanced opportunities within a system based on documented performance. This is in sharp contrast to local CETA programs which generally offered "one-shot" treatment in most instances, with few incentives for performance, no uniform records of achievements, and limited opportunities for rapid advancement. Finally, Job Corps' ability to sort participants is much more significant than day programs because completion standards are competency-based, the educational and vocational achievements are documented, and the residential experience itself tends to separate the mature from the immature.

3.4 - Program Intensity

If there is one lesson from CETA day programs it is that weak, diffuse programming may result in bad programs. When young trainees are not engaged fully in the process of their training, they lose interest and/or drift out of the programs. One indicator of intensity is the number of service hours provided to participants. As Table 3-4 shows, the CETA Title IV discretionary projects generally delivered few service hours compared to Job Corps. Some pre-employment programs, for example, have been found to provide as few as 11

TABLE 3-4

Cost per Participant by Duration and Intensity

Programs	Cost/ Participant	Months/ Participant	Hours/ Month	Cost/ Hour
Job Corps	$6826	6.2	195.0	$5.64
			173.2	6.35
			130.0	8.45
YETP	2356	5.1	72.0	6.42
YCCIP	4221	5.1	130.0	6.35
CETA Title IIB				
Classroom Training	3409	5.1	130.0	5.14
			108.0	6.17
OJT	2174	4.3	152.0	3.33
YIEPP	2000	5.5	72.0	5.05
VICI	9058	8.1	121.0	9.24
HUD-YCCIP	4796	7.2	130.0	5.12
Supported Work	9623	6.8	152.0	9.31
Job Factory	989	1.0	89.0	11.10
JFY	749	4.3	1.5	116.12
70001	1351	3.7	11.1	32.90
VEPS	1464	2.7	138.9	3.90
OIC CEP Summer	1453	2.2	130.0	5.10
BAT	1661	6.6	87.0	2.90
HOPE	13,148	12.9	65.0	15.68

Source: See Table 3-5 and Appendix.

TABLE 3-5

Costs per Participant and Cost per Service Year
For Youth Employment and Training Programs: FY 1980

Programs	Outlays 000's	Service Years	Duration (months)	Participants	Cost/ Part.	Cost/ Ser.Yr.
Job Corps	$470	35.6	6.2	68.9	$6826	$13,202
YETP	695	123.5	5.1	295	2356	5628
YCCIP	122	12.1	5.1	28.9	4221	10,083
CETA Title IIB						
Classroom Training	1225	152.2	5.1	359.3	3409	8048
OJT	216	35.6	4.3	99.3	2174	6067

Sources for Tables 3-4-3-7: Data on participants, costs, and service years for CETA Classrom Training and CETA OJT come from Taggart, pp. 22-25 and p. 46. Data on outlays, participants, and service years for YETP, Job Corps, and YCCIP come from the Employment and Training Report of the President: 1980, pp. 24-39 and pp. 257-261. Average months can be derived from relating cost/ participant to cost/service year. MDRC reports provided the data on YIEPP and Supported Work. CPPV reports provided the data on VICI, JFY, and 70001. Feldman, et al., reported HUD-YCCIP data. The CEIS report presented data on Job Factory. Questionnaire data collected by ETS yielded the information for calculating participant and cost information on VEPS, OIC-CEP, BAT, and HOPE. See Appendix for details.

TABLE 3-6

Costs, Participants, and Duration of Selected Youth Demonstration Programs (in 1980 dollars)

Programs	Outlays 000's	Service Years	Duration (months)	Participants	Cost/ Part.	Cost/ Ser.Yr.
In-School Work Experience						
YIEPP	100,080	22,833	5.5	50,000	$2000	$4383
Intensive Work and Training						
VICI	8.854	657	8.08	977	9058	13,470
HUD-YCCIP	15,353	1921	7.20	3201	4796	7992
Supported Work			6.75		9623	17,107
Job Search, Job Placement Services						
Job Factory	198	17	1.00	200	989	11,868
JFY	529	251	4.27	706	749	2107
70001	735	166	3.67	544	1351	4428
VEPS	2,881	436	2.66	1967	1464	6607
Other Youth						
OIC-CEP Summer	2,824	356	2.20	1943	1453	7932
BAT	570	189	6.60	343	1661	3015
HOPE	1,328	109	12.90	101	13,148	12,183

Note: Descriptions of programs in Appendix hours a month of direct service time. Many programs with low service hours have been found to have little impact upon their participants. YEDPA evaluations indicate that employ- ment outcomes frequently parallel service hours. For example, although job search assistance (an intensive, but short duration program) raised employment in the short-run, these gains, however, dissipated with time. More intensive, longer duration training programs like Job Corps seem to raise earnings in a way that persists over time. Job Corps induced significantly greater impacts among long stayers and completers. The longer stay is associated with greater post-program gains as trainees staying longer are more likely to be placed.

Program Administration

3.5 - Private Sector Contractors

Youth program operators may include prime sponsors delivering services directly, other local government agencies, secondary schools, post-secondary institutions, community-based organizations, private for profit organizations, and private industry councils. Many times the prime sponsor subcontracts the delivery of services to a non-profit group. Job Corps, however, is the nation's only nationally run training program.

Since Job Corps is federally administered with the USDOL, it is easier to try out various mixes of services and delivery approaches than in the decentralized CETA system. This feature may account for the significant "learning

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* Tables 3.4-3.6 are reproduced from Comparing the Costs of Job Corps With the Costs of Other Youth Employment and Training Programs by Brandeis University Center for Employment and Income Studies, R. Lerman and A. Hahn. Submitted to DOL, September 1982. Detailed methodology is in the report.

curve" experienced by Job Corps since its rather rocky and controversial origins in the 1960s. Many Job Corps centers are run by contractors from the private sector who can be terminated if they do not perform well. This combination of direct federal oversight and private sector management may account for some of Job Corps's lasting success. While there is no magic in private sector management, competitive contracting provides options that could limit poor performance by some operators. It also yields incentives to reward the performance of top quality staff. Among regular prime sponsors, funding dictates staff turnover, rather than competition.

3.6 - Staffing and Supervision

The intensive and individualized training approach in Job Corps requires close supervision and staffing. Low student supervisor ratios (15 students per teacher on the average) are common in remedial education programs in Job Corps. In vocational training components the staff are available on an as-needed basis. These ratios are lower than ratios in non-residential programs and the Job Corps ratios are reinforced by the residential nature of the program. Supervisor/youth ratios have been found to be important determinants of program success, as in the VICI Study described in another chapter of this report.

3.7 - Subsidies

Despite its residential nature, outlays for living costs under Job Corps are not high relative to living costs provided in the form of stipends in other employment and training programs for out-of-school youth (see Table 3.7). Job Corps appears to devote as high or a higher percentage of its expenditures to the delivery of training than other programs. Thus, Job Corps has managed to limit its income maintenance and focus on skill training even while paying for the residential setting. Other cost data appear in Tables 3-5 and 3-6.

TABLE 3-7

Costs in Youth Employment and Training Programs, by Payments to Participants and Other Costs

Program	Average Participant Costs	Wages, Stipends, and Other Participant Living Costs	Other Costs	Shares of Total Costs for Wages, Stipends, and Other Participant Living Costs
Job Corps	$6826	$1705	$5121	.25
Supported Work	9623	4522	5100	.47
VICI	9065	3500	5565	.39
YIEPP	2000	1260	740	.63
VEPS	1659	750	909	.45
Job Factory	989	274	715	.28

Source: Same as Tables 3-4, 3-5, and 3-6.

4.0 - Are Enriched Skill Training Programs for Poor Youth Effective?: Estimations Using YEDPA-Funded Data

4.1 - Introduction

One can use a variety of approaches to determine whether a program is effective. Although cost-benefit analyses address a comprehensive set of program outcomes, this section focuses on one indicator of program success, post-program earnings gains, for several reasons. First, earnings gains capture increases in employment and wage rates, the benefits that relate to the primary goal of skills training programs. Second, valuing other benefits often is difficult because of measurement and theoretical difficulties. Third, estimates of program effects on crime, income transfers, and other economic effects are not generally available for non-residential skill training programs serving low-income youth. In this section we wish to compare Job Corps to non-residential skill training programs because Job Corps, the nation's oldest and most successful skill training program, is a useful reference point for policy discussions.

The decision to focus on earnings gains should not be taken to imply that other benefits resulting from training programs do not exist or have a zero economic value. In fact, the crime reduction effects and other benefits associated with Job Corps were significant. Moreover such effects may not occur in other programs, even those that are successful in raising earnings.

Since about 85 percent of Job Corps enrollees are high school dropouts, the comparison across programs will concern earnings gains of dropouts. And, because Job Corps emphasizes education and skills training, the programs selected for the comparisons are largely non-residential training programs.

Chapter 2 showed that dropouts in regular formula-funded CETA skill training programs had few gains in earnings from participating in CETA skill training programs. The present chapter covers non-residential special demonstration projects and compares the results to Job Corps. Perhaps youth enrolled in enriched training programs fared better in the labor market than youth in normal CETA training programs.

To come up with earnings effects associated with selected demonstration projects, we enlisted the cooperation of the Educational Testing Service (ETS). The ETS Standard Assessment System (SAS) is a data base on individual participants (and control or comparison groups) from discretionary youth demonstration programs. SAS has data on program characteristics and employment and earnings status 3 and 8 months after the program. Analysts at ETS tabulated the employment and wage rates of participants, controls, or comparison group members at 3 months after exiting from the particular demonstration. The 8-month follow-up information was not used because of serious attrition problems.

One should exercise caution in interpreting the results based on SAS data. The data came from a disparate set of demonstration programs. All provided some training for participants, but the training varied widely. Although the programs with SAS data used the same questionnaires as mandated by the Department of Labor, they adopted differing approaches in developing control or comparison groups. Some programs employed genuine random assignment procedures, while others came up with comparison groups from waiting lists or from procedures that are poorly documented. ETS analysts developed methods for imputing comparison groups where none were available from program data. We use the ETS "matched" control group sample in some instances in these sections.*

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* The ETS/SAS matched control group is described in an Appendix to this chapter. Wherever a control is imputed, it is indicated so in the text.

The other limitations of SAS concern the quality and relevance of usable data. This analysis relied on follow-up information gathered only 3 months after exiting from the program because of the paucity of long-term follow-up data. Moreover, the survey information does not provide a complete work history subsequent to program participation. To make the outcome data comparable to data from other sources, we adjusted the SAS information on wages and weeks worked to come up with a quarterly earnings figure. Much of the work in this chapter then is based on estimations.

The data on earnings gains from Job Corps come from the latest report prepared by Mathematica Policy Research (MPR).* Although the MPR report covers up to 4 years of post-program experience, the estimates of earnings gains from the ETS programs generally cover only two points in time in the first year after the program. In making comparisons, we must either project the path of earnings gains for programs other than Job Corps or limit the analysis to the initial post-program experience. We chose to concentrate on comparisons of initial post-program experience.

4.2 - Earning Gains: Residential and Non-Residential Training

Table 3-8 shows the estimates of earnings gains associated with Job Corps and with youth discretionary non-residential training projects. The estimated results indicate that participants from the non-residential discretionary programs increased their earnings by more than the control or comparison groups. The key assumption here is that quarterly gains among non-residential trainees persisted throughout the year. If this assumption were valid, on an annual basis in 1980 dollars, the increases would have been considerable.

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* See: Mallar, May 1982.

The discretionary non-residential skills training programs yielded higher first year gains in earnings while Job Corps did not. Were this preliminary advantage to persist over time, it would imply that the cheaper non-residential training did as well as the highly intensive Job Corps training. At the moment, such a conclusion would be unwarranted. First, our assumption that the quarterly gain persists may be unwarranted. Second, the evaluation of Job Corps provides hard evidence years after the program. Therefore, the similar short-term impact may be offset by a larger long-term impact resulting from Job Corps. Without long-term follow-up information on discretionary programs, it is too early to say that Job Corps yields earnings gains less and more expensive than those produced in other programs.

In fact, the limited data that are available suggest that earnings gains do erode much faster from non-residential CETA training than from Job Corps. Table 3-9 presents data on all CETA youth, by type of training for the first and second post-program years. The source is the Continuous Longitudinal Manpower Survey (CLMS) run by the U.S. Department of Labor. The CLMS tracks new enrollees in CETA programs and provides follow-up information from interviews and Social Security earnings records. The matched comparison groups are drawn from the Current Population Survey; follow-up data on the comparison group also comes from Social Security earnings records. The numbers in Table 3-9 include gains made by young dropouts and high school graduates. The data document a sharp decline in earnings gains for each age and training category. The program effect on earnings from classroom training falls to below zero for 19-20 year-olds and to a low figure for 17-18 year-olds.

TABLE 3-8

Estimated Earnings Gains from Different Sources: Young Dropouts in Skill Training in Constant 1980 Dollars

Source	Earnings Gains for Follow-Up Year	1980 Dollars
(1) Job Corps Enrollees:		
Year 1	$277 (1977)	$377
Year 2	$565 (1977)	$769
Year 3	$342 (1977)	$465
Year 4	$ 24 (1977)	$ 33
(2) ETS Dropouts in Skill Training Demonstration Projects	$861 (1979 - 1980)	$917

Notes:

ETS: See estimation procedures in Table 3-11. We assume gains persist through four quarters. CPI index for last quarter 1979 and first quarter 1980 is used. ETS used a questionnaire called the Process Information Questionnaire (PIQ) to determine which projects were primarily "training and apprenticeship."

Job Corps: Source is Table IV-I, P. 108. Mallar, et al., May 1982.

The detailed results noted in Table 3-9 indicate that the major share of earnings gain from the CLMS CETA training accrue to those in on-the-job training (OJT), not in classroom training programs. It is worth emphasizing this conclusion for two reasons. First, OJT programs are extremely difficult to expand, especially if they require the employment training system to attract employers willing to hire young, low income dropouts. Many observers fear that under the Jobs Training Partnership Act, Private Industry Councils (PICs) will have difficulty in developing OJT slots for dropouts when so many adults would benefit from these "slots." Thus, one policy implication is that it may not be possible to shift training slots for dropouts from programs like Job Corps to OJT. A second point is that OJT slots are generally filled by the most job-ready eligibles. Thus, the relatively high earnings gains from the ETS projects relative to Job Corps may overstate how well the system as a whole would perform with Job Corps participants.

Finally, even when we restrict the comparisons to low income, high school dropouts, we do not know whether the specific dropouts entering Job Corps have poorer job prospects than the dropouts entering other programs. If Job Corps attracts the weaker job candidates from the pool of low income dropouts, then the comparisons cannot tell us definitively whether non-residential CETA training programs would do as well as Job Corps with the actual Job Corps participants. For all of the preceding reasons, the data in Section 4.0 should be treated as estimates.

TABLE 3-9

Youth Enrollees in Fiscal 1976 Terminating in Calendar 1976:
1978 Earnings Gains for Skill Training Components

Age	OJT		Percent Change	Classroom Training		Percent Change
	1977	1978	1977 to 1978	1977	1978	1977 to 1978
17-18	$1235	$697	-44	$230	$183	-20
19-21	718	617	-14	242	17	-93

Source: Taggart (1981), p. 77, Table 3.3. See also Appendix A.

Note: The CLMS data is clearly at odds with the NLS data presented in Chapter 2.

5.0 - Non-Residential Training Demonstrations Compared to Other Types of Youth Programs

As one might expect, earnings gains resulting from participation in demonstration programs depended on the nature of the intervention. In Tables 3-10 and 3-11, we exhibit the differences in employment and earnings by type of program. It is noteworthy that training and apprenticeship projects exerted the largest gains for participants over controls in hourly wages. The gain of 46¢ per hour in training projects was at least 3 times larger than wage gains in other projects. While participation in summer programs appeared to raise employment over a 3 month period by more than did participation in training, this employment outcome is more of a short-term indicator than the wage measure.

6.0 - Earnings Gains and Costs - A Sampling of In-School Training Impacts

Relating earnings gains to costs yields estimates of how the costs of raising participant earnings by $1 varies across programs. One problem is that for some projects, the evaluations provided only short-term estimates of gains in earnings. We deal with this problem by presenting first year effects and by deriving present value estimates based on alternative assumptions of how fast earnings gains erode in CETA programs. A second problem is that with the exception of the VICI Project (covered in another chapter) the Department of Labor did not collect separate cost data by skills training project serving predominantly dropouts. The only reliable data for this section on costs comes from two non-residential training programs that were for in-school youth. Thus, this section compares residential to non-residential training programs, but does not focus exclusively on dropouts.

TABLE 3-10

Drop-Outs in YEDPA Title IV Discretionary Youth Projects*

	Ever Work in 3-Month Follow-up Pericd			Hourly Wage Most Recent Job		
	Participant	Control	Difference	Participant	Control	Difference
1) All ETS/SAS Projects	.458	.318	.140	$3.63	$3.46	.17
2) Pre-Employment Projects**	.554	.500	.054	3.32	4.25	-.93
3) Work Experience Projects**	.542	.467	.075	3.67	3.77	-.10
4) Summer Projects	.413	.312	.101	3.63	3.49	.14
5) Training & Apprenticeship Projects	.557	.520	.037	3.92	3.46	.46

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*All data are adjusted values for pre-existing differences between participant and control groups. See Appendix.

**Imputed control groups indicated by **.

TABLE 3-11

Drop-Outs in YEDPA Title IV Discretionary Youth Projects: Earning Gain on Last Job of Quarter

	Estimated Quarterly Gain
1) All ETS/SAS Projects	$ 89.24
2) Pre-Employment Projects	-152.68
3) Work Experience Projects	- 1.55
4) Summer Projects	74.54
5) Training & Apprenticeship Projects	215.28

Estimation Procedure: Assume full-time work is equivalent to 35 hours and part-time work to 21 hours (the latter is the average hours in NLS for part-time youth workers). Create a weighted weekly earnings variable to reflect the share of full and part-time workers employed at the participants' average hourly wage. Repeat for the control group. Multiply the difference by the weeks worked on most recent job for participants.

Table 3-12 shows the earnings gains and costs on the basis of average program hours per participant.* Although the cost per hour is similar (residential or non-residential), costs are higher than the costs of CETA training because of the long duration, high intensity nature of Jobs Corps. When we deflate costs and initial earnings gains by hours, Job Corps is less successful than the two illustrative ETS programs in translating each hour of participation into a gain in earnings.

Since these results relate only to initial earnings gains, the apparent Job Corps disadvantage could turn into an advantage if the rate at which earnings gains erode is slower under Job Corps than under other programs.

Table 3-13 presents the present value of earnings gain, under alternative assumptions of the rate of earnings erosion. Note that Job Corps could well be more cost-effective than other programs if the erosion rates are high in other programs. Consider, for example, the smallest decay rate estimate in Table 3-13. On that basis, Job Corps' earnings gains were smaller than those attributed to non-residential skills training programs in ETS. If we assume that ETS projects had more rapid decays in earnings but Job Corps did not, the relative value of Job Corps participation increases.**

Table 3-14 deflates the earning gains by hour of participation and compares them to program costs. Only under the assumptions of estimate #3 are

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* Cost and hours data comes from "The Noneconomic Impacts of the Job Corps," pp. 407-583 in Office of Youth Programs (ed.), Assessments of Job Corps Performance and Impacts; Volume I, Youth Knowledge Development Report 3.2. Washington, D.C.: Abt Associates, Inc. for U.S. Department of Labor.

**We present alternative decay rates for the ETS data because these data, unlike Job Corps, are extrapolations from one year, thus less reliable. The evaluation of Job Corps presents 4 years of observations and more confidence can be placed in the basic data.

TABLE 3-12

Earnings Gains/Hour of Participation and Costs/Hour for Dropouts in Skill Training Programs

	(1) 1980 Earnings/Hours of Participation	(2) Cost/Hour	(3) First Year Earnings Gain As Percent of Costs
(1) ETS Non-Residential Training Programs*	917/633 = 1.44	6.14	23
(2) Job Corps - Residential Program			
Year 1	377/727 = .52	6.25	08
Year 2	769/727 = 1.05	6.25	17

Notes:

* ETS: Projects BAT and HOPE are used as examples of non-residential training programs. See Appendix B.

TABLE 3-13

Estimated Present Value of Earning Gains from Skill Training Over Worklife of Program Participants*

Data Source	Estimated #1	Estimated #2	Estimated #3
	Decay Rate=15%	Decay Rate=20%	Year 2 Earnings = 50% of Year 1. Decay Rate=15%
ETS	5500	4585	2927
Job Corps	$4455**		

Notes:

* Assumes Discount Rate of 5 percent. 43-year worklife after program participation.

**The evaluators of Job Corps employ the following assumptions: 1977 dollars (converted to 1980 for this table); discount rate of 5 percent; decay rate approximately 14% per year.

TABLE 3-14

Estimated Present Value of Earnings and Program Costs for Each Hour of Participation*

Data Source	Estimate #1	Estimate #2	Estimate #3	Cost/Hours
	Decay Rate=15%	Decay Rate=20%	Year 2 Earnings= 50% of Year 1 Subsequent Decay= 15%	
ETS	8.69	7.24	4.62	6.14
Job Corps	6.21	--	--	6.25

*Source: Tables 5 and 6

the Job Corps earning gains per hour of participation higher than those based on the ETS. Comparing earning gains per hour to costs/hour yields estimates of present value of earnings gains. Consider estimate #3. While the ETS data results indicate that the present value of earnings gains were about 73 percent of program costs, Job Corps raised the present value of earnings by an amount equal to program costs.

To summarize the findings in Tables 3-12 - 3-14:

- The ratio of short term earnings gains to program costs is higher from non-residential (in-school) training (ETS) than from Job Corps.
- The ratio of the present value of earnings to program costs for each hour of participation by youth in skills training programs, residential and otherwise, suggests that enriched skills training is cost effective.

A conclusion of this chapter is that enriched skill training (job Corps and special demonstrations) raises earnings and is significantly cost effective. Using the most conservative assumptions, Job Corps pays back each dollar in costs with a dollar in earnings gains. Using the same assumptions, non-residential in-school enriched skills training programs are nearly as effective. Clearly, enriched training pays off for America's poor youth and for society. When CETA did deliver "training" to poor youth, it was usually not genuine skill training for vocations, complemented by suitable basic skills remediation, work experience, and transition mechanisms. This is likely the best explanation for the results reported in Chapter 2 on the effects for dropouts participating in CETA's "regular" skill training components.

This concludes our discussion of the labor market outcomes to skill training. The next section describes how CETA's social experiments fostered new institutional linkages between training programs and jobs in the private sector. The cases also describe, in greater detail than the preceding sections, the "nuts and bolts" of non-residential skill training programs for low income youth.

7.0 - New Linkages Between Training and Jobs: Impressions from Model Programs Under CETA

A number of the demonstration projects funded under YEDPA produced linkages between training and jobs in areas of the labor market where jobs did not already exist or where disadvantaged youth were excluded. These experiments were usually in those small firms where entry-level training was not traditionally offered, in new occupations or industries where curricula had not been developed in the schools, or in new routes of access for disadvantaged youth to enter the existing apprenticeship or employer training programs. If these new approaches worked, policymakers hoped that mainstream schools and firms would incorporate them into their range of conventional programs. In this sense, YEDPA's projects aimed at demonstrating how to help poor youth to adapt to changing labor markets and how to overcome rigidities which keep disadvantaged youth from reaping the benefits of training.

One major precursor to such experiments was the series of programs called "New Careers." Started in the mid-1960's following publication of a book New Careers for the Poor, the idea here was to prepare disadvantaged youth for careers in public service areas such as health, education, welfare, neighborhood development, and public safety. Training took place in the public agency itself and the entry-level job opened up opportunities for promotion and advancement within the field. These programs had apparently been judged unsuccessful overall, except in cases where youth actually finished the training.* In 1977-78, however, the impetus was to expand training and job opportunities in the private sector. At the same time, concern was being expressed for supplementing community improvement work experience programs with training. These and other ideas about responding to technical advances in new fields, coalesced during CETA's YEDPA around a number of specific projects, each discussed in detail below. The following cases describe the new linkages developed between training programs and jobs, largely in the private sector. The profiles of the programs yield impressionistic lessons on what can go right and wrong in non-residential skill training for disadvantaged youth.

New Career Pathways Initiative

The New Career Pathways Initiative developed new entrees for disadvantaged youth into the private sector labor market; first steps in "pathways" which would offer greater upward mobility than conventional temporary, low-skill work in the secondary labor market. Four separate programs were federally funded through the Corporation for Public/Private Ventures, a non-profit Philadelphia-based intermediary.** All incorporated about four to six months of on-the-job or classroom training and wage subsidies to employers. While clients differed from site to site, they were almost exclusively disadvantaged. Most were dropouts and older youth, in the 18-21 year range.

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* See, for example, Evolution of New Career Programs by Joan Grant and J. Douglas Grant in Handbook of Evaluation Research Volume 2, Sage Publications, ed. Marcia Guttentag and Elmer Strvening, 1975.

**See, New Career Pathways, Corporation for Public/Private Ventures, Philadelphia, PA, 1981.

Most participants had had minimal work experience prior to entry in the programs.

Specifically, the four programs were:

Project Opportunity -- in Fond du Lac, Oshkosh and Neenah-Menasha, Wisconsin and operated by ADVOCAP, a non-profit community based training organization. This program was aimed at the small employer in a wide variety of industries such as auto and truck repair, bakeries and photography. Most jobs, however, could be characterized as clerical (31%) or service (26%). Staff recruited youth and placed them in firms under a general agreement that employers would train youth on-the-job over a four to six month period. An example of one such placement is the following:

> At training site Edith's of Fond du Lac, the trainee was taught alterations, design and customer relations. Skills acquisition came from expert seamstresses; the employer acted as training supervisor and a counselor.

Such a job would ideally start a girl on a pathway to becoming a seamstress and perhaps ultimately a dress designer.

In the actual job sites found, 67% were located in firms of under twenty employees. Surprisingly, 80% of firms overall already had some entry-level training practices developed. What was new on the part of these companies, therefore, was their hiring of disadvantaged youth. Most had not hired CETA youth in the past.

Project Opportunity also sought to be more responsive to employers' concerns than had other government programs. A survey of businesses showed a need for reduced paperwork; therefore no specific training agreements were enforced with employers. Rather, the timing and sequencing of skills training were left up to the employer's discretion. Finally, employers were given the chance to interview and accept or reject prospective youth.

Given the particular Wisconsin area, it was not surprising that almost all youth participants were white. Sixty-seven percent were female and these were preponderantly placed in clerical helper jobs, hopefully as a prelude to further apprenticeship or training positions. Young men were distributed across a wider range of industrial categories.

Open Roads/New Jobs -- in the San Fernando Valley and operated by the Citizen's Policy Center, a local community-based organization. Open Roads/New Jobs also focused on small employers in the San Fernando Valley and recruiting efforts ranged among many job types, but with clustering in structural work, benchwork, machine trades and clerical jobs. Thirty-five percent of the jobs were in auto work alone. These opportunities were filled primarily by young men. The project overall recruited 77 percent men, 23 percent women. Unlike Wisconsin's program, most youth were minorities, either Hispanic (44%) or black (44%).

Open Roads, unlike Project Opportunity, developed specific skills acquisition agreements and also provided a two-week introductory group session on interviewing skills and personal evaluation. Both projects found training and work for youths in small firms. But while the majority of firms in Wisconsin already had entry-level training slots in place, in California this was not the case. Only 30% of the firms with under 20 employees had such opportunities prior to the program. Thus, this program more clearly instituted the idea behind New Career Pathways; to restructure jobs in the private sector so that youth could enter a firm, receive training on-the-job and advance either in that firm or elsewhere.

CP/PV evaluators of the project noted that such a program appealed to the desire to do some community service on the part of employers. However, it was made clear by these employers that wage stipends were necessary to compensate them for the time spent in training on the part of the supervisor or technician. As such, job restructuring of this sort on a national scale would be perceived by employers as not economical and it appears that such programs would only be incorporated by the private sector under continuing subsidies.

Machine Trades Training Program for Youth -- in Cleveland, Ohio and sponsored by Cuyahoga Community College. MTTPY focused on machine occupations in Cleveland, such as: setting up and operating automatic screw machines, boring mills, lathes, drill presses, milling machines, gear cutters and broach machines. The program began with a five-week Diagnostic and Career Prep session which included Basic Shop, Living Skills, job interviewing, work and life performance, with special emphasis on machine trades. A second twelve-week Skill Training Stage combined classroom instruction and machine experience provided by retired machinists, most of whom were members of the local union. A third two and a half week stage of actual work was provided by the public agency. Firms were asked as part of the agreement to employ youth for a minimum of only 2½ weeks. However, it was found that small firms typically resented the departure of workers for training. Employers were much more willing to accept disadvantaged youth when they were trained prior to entry in the company.

The "typical" trainee in MTTPY was "a black male, about twenty years old, who had dropped out of high school and worked at a couple of jobs since them."

Career Pathways in Energy Conservation -- in Boston and Lowell, Massachusetts and operated by Technical Development Corporation (a management and consulting firm). CPEC was unique in its focus on a single and emerging employment area--energy conservation. Within this field youth might progress into jobs retrofitting window seals or insulation, maintaining heating, ventilating and air conditioning systems, assembling energy-related equipment, auditing energy use, recommencing conservation measures, and selling equipment to consumers.

Similar to MTTPY, youth received intensive classroom instruction for about eight weeks; in this case in carpentry and construction skills with the specific orientation to basic energy theories, heating, ventilation and lighting systems, building maintenance, thermostat and humidity controls and alternative energy sources. Training sessions also included job readiness and interviewing techniques. A second phase of work experience included five weeks of alternating classroom instruction and experience on the job site. Finally, three to six more months was spent in an OJT placement.

VICI and HUD-YCCIP

Ventures in Community Improvement (VICI) and the Housing and Urban Development/Youth Community Conservation and Improvement Demonstration Programs were two work experience youth employment programs, but to the extent that they incorporated training on the job, they were similar to several of the New Career Pathways Initiatives. (Both are described in greater detail in Chapter 4.) In the case of VICI and HUD/YCCIP, however, the employer was not a small, private firm, but rather a community development or manpower agency.

VICI also was funded and overseen by Public/Private Ventures which in this case used the Emergency Home Repair Program from Portland, Oregon as a model. EHR was designed to train and employ youth in repairing homes of the poor, elderly and handicapped. Under the supervision of skilled union journeymen, youth learned skills of painting, roofing, and carpentry. Youth also were required to stay in school or pursue a GED. This latter feature was not a requirement of VICI, but was an important option.

CP/PV was funded to replicate this EHR program at a national level and eight sites were chosen: Atlanta, Broward County, Fla, Chicago, Milwaukee, Newark, N.J., New Haven, Conn., Philadelphia and the South Bronx. Each city was to enroll up to 60 unemployed, out-of-school, sixteen to nineteen year old economically disadvantaged youth. The youth worked on projects of improvement of public facilities, neighborhood improvement, housing repairs and weatherization, energy conservation, and maintenance and other work on public lands. As such, these programs were designed to provide work for youth, give them skills suitable for subsequent unsubsidized employment, and make valuable contributions to community improvement. Skills training was provided through working with expert union journeymen and youth were organized in small work crews of eight to ten.

HUD-YCCIP programs were similar in design, but were funded through the Department of Housing and Urban Development and were operated by nonprofit community development agencies in ten cities across the country: Atlanta, Boston, Chicago, Los Angeles, Ashville, Mississippi, Newark, New York, Roanoke, San Antonio and St. Louis. Participants tended to be from more disadvantaged backgrounds than were VICI youth.

BAT - Bureau of Apprenticeship and Training School/Work Linkage Projects

This federal demonstration was a joint project of two agencies within the U.S. Department of Labor -- the Office of Youth Programs and the Bureau of Apprenticeship and Training. BAT included three separate programs. In Des Moines, Iowa it was run by the school district. In Rockford, Illinois, it was run by the Rockford Area Vocational Corporation. In the state of Rhode Island it was run by the Industry-Education-Labor Council, Inc. under the auspices of the State Department of Education. These three projects were evaluated by the Educational Testing Service, who characterized the goals of BAT as to place disadvantaged high school juniors and seniors in part-time apprenticeship positions and in full time apprenticeships upon graduation. Administrators were interested in recruiting women and minorities into traditionally male programs and in developing apprenticeships in new occupations.

Des Moines, Iowa -- Seniors in high school spent about 20 hours a week in an apprenticeship position in cabinetmaking, carpentry, drafting, auto mechanics, electronics or printing. In addition, an hour and a half class was offered at the school in interpersonal relations, on-the-job behavior, communications, coping with stress and labor-management relations.

Rockford, Illinois -- Seniors in this program similarly worked part-time at apprenticeships, but also took 144 hours of related training at the high school or area Vocational Center. The positions in Rockford were more diverse, including auto mechanics, machinist, law enforcement, auto body repair, drafting, graphic arts, legal secretary, commercial arts, data processing, office machine repair, radio repair, painting, tool and die making, welding and making false teeth.

Rhode Island -- The Rhode Island program had no classroom component, but youth worked 20 hours per week at their apprenticeship. The traditional fields such as machinist and auto mechanic were included, as well as new fields such as animal health technician, yacht technician, film laboratory technician, paralegal assistant and lobster fisherman.

All three programs sought to target disadvantaged youth, particularly women. However, hiring was competitive, with selection by employers, and many CETA-eligible youth had already dropped out of school by their senior year. As a result, BAT participants were disproportionately middle class white males. Women appeared to be uninterested in these job areas and blacks were less likely to apply or to be chosen by employers than were whites.

Corporate Career Demonstration Project

The CCDP* in Houston, Texas was a collaborative effort of the University of Houston, other schools and major businesses within the metropolitan area. Its goal, similar to New Career Pathways, was to place disadvantaged youth in upwardly mobile jobs within the private sector. In this instance, however, employers were not small firms or emerging fields, but rather the large, well-established corporations in Houston, such as United Gas Pipeline and Southern Bell Telephone. An example of a placement is the following:

> Assistant to Brokerage Manager; Sidney Fairchild Co. One position for person to assist the brokerage manager in daily activities. This person will need light typing but will not be doing secretarial work as there is a secretary in the office. This person will figure brokerage rates and eventually work into phone sales which will be aimed at reaching corporate presidents and management.

The initial training and support components of CCDP were a thirteen-week Pre-Internship Phase for remedial and interpersonal skills development. Students were paid the minimum wage and were given a clothing allowance of $227 for suitable wardrobes for the business world. Youth were also encouraged to enroll in community college or college courses and were provided counseling and tutoring services. During the internship phase of the program, lasting fifteen months, youth worked for twenty-five hours per week in a business job, ideally moving through performance benchmarks to the point of being hired for unsubsidized employment in the firm.

Participants had to meet the requirements of: Unemployment; 18-21 years of age; and high school diploma or GED. Ultimately, of 120 interns, 68% were female and 79% were black.

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* The Corporate Career Demonstration Project 1979-1980, University of Houston, Wilford Weber, 1981.

An evaluation by the University of Houston showed that 41 youth of 116 successfully completed 18 months of training and secured full-time employment in the private sector of at least $9,500 annually. Other youth went on to school, military, or similar "positive" terminations. About 40 youth were terminated under negative circumstances.

The program structures and processes enacted involved utilization of existing University and community resources, particularly for instruction and counseling support. The great majority of staff were University graduate students and faculty members.

GIANT STEP - Graphic Communications Training Program

Giant Step was a twelve-week pre-apprenticeship or entry-level training program in graphic arts developed by the non-profit community group Giant Step, Inc. in Gardena, California. During this time, youth undertook classroom instruction in machine use in lithography, photography, silk screen printing and graphic design. In addition, they took field trips and heard speakers in the field of graphic arts. Staff also worked with local employers to create job opportunities in the field.

Over a two-year period, 253 youth participated in Giant Step. They were all from disadvantaged backgrounds, 71% were male and 92% were black. Compared to other programs cited, youth had more education (78% with high school diploma or more) and were older in age (63% were 20 or older).

Project HOPE - Health Opportunities/Positive Entry

Project HOPE was operated by Pacific Economic Resources League in three Oakland, California high schools. The program's goals were to combat high school attrition as well as to encourage employment in allied health jobs and further training for those who were interested. Over a two-year period, youth took 4 hours a day of courses in an Interdisciplinary Biomedical Curriculum which required coordination among teachers in social science as well as math and science. Students also received tutoring and counseling and took workshops and field trips in job acquisition skills. During the summer, they rotated among three one-week "career exploration" placements in clinics, doctor's offices, public health facilities, research projects and hospitals and they worked for five weeks in an agency of their choice. Project HOPE enrolled 185 students in two entering classes. Most were black women from disadvantaged backgrounds.

FIPSE-Sponsored Programs

The fund for the Improvement of Postsecondary Education with financial support from the U.S. Department of Labor sponsored five projects which could be considered as experiments in opening up new areas of training and job entry.

1. Preparation for Careers in Plastics at Elgin Community College in Elgin, Illinois. Forty Spanish-speaking disadvantaged youth participated in 160 hours of language instruction, 192 hours of vocational English instruction and 160 hours of technical training and counseling. The goal was to prepare these youth for entry-level positions in the plastic industry and/or continuation in a further degree program in plastics.

2. Targeted Jobs Industrial Education Project sponsored by the Montgomery County Board of Education in Mt. Sterling, Kentucky. This program was developed after it was discovered that graduates of a 15-week Industrial Training Project for disadvantaged youth were hired in entry-level positions, but lacked the skills to advance. Local companies encouraged the Morehead State University to adapt its A.S. degree in Industrial Supervision and Management Technology for these youth. Employees continue work while taking courses, but work experience was arranged to complement the training. The program developed a system of career ladders and benchmarking plans within the companies.

3. Chemical Technical Skills Training Program in Newark, N.J. This program was designed to place disadvantaged youth in unsubsidized jobs in chemical technology, a field with expanding opportunities in the Newark area. The program enrolled black, disadvantaged youth, ages 18 to 21 and provided two months of remedial education, followed by a year of courses in chemical education. Local employers promised no jobs, but expressed an interest in hiring graduates.

4. Improving Career Access to the Medical Profession in Austin, Texas at St. Edwards University. This project was designed to open up opportunities for disadvantaged youth to begin in high school the intensive coursework which would lead to careers in medicine. Fifty juniors, largely Hispanic or Vietnamese, attended Saturday classes at the University in college preparatory math and science. During the summer they also enrolled in classes and spent three days a week in health care work sites. Counseling and orientation sessions were also provided to motivate youth and to familiarize them with career ladders in medicine.

5. Business Education and Specialized Training-for Jobs (BEST JOBS) at Thomas County Community College in Thomasville, Georgia. Local employers perceived a need for youth to fill available jobs as cashiers, receptionists, inventory clerks, sales personnel, telephone operators, hospital admission workers, and shipping clerks. This program was a one-year certificate course in "clerkmanship" skills for disadvantaged youth to prepare them for these jobs. Participants took courses in business ethics, basic skills, oral communication, finance and sales techniques.

Lessons from Non-Residential Skill Training Projects

As noted in previous sections, the effectiveness of these non residential training projects in assisting poor youth was not evaluated as much as other types of YEDPA interventions. While YEDPA was a massive effort to provide a systematic demonstration data base, a myriad of difficulties stood in the way of analysis of these non-residential skill training programs. Some projects lacked control group data, others never gathered follow-up data at all, still others simply lost participants following termination. Of all the programs described, only VICI and HUD/YCCIP have a data base sufficient for statistically significant comparisons and these are covered in our "enhanced work experience" section (Chapter 4). Conclusions about the effectiveness of these new approaches are therefore imprecise and can be based only on qualitative impressions of evaluators, on data about youth experiences during the program itself, or on scant information about graduates, even if control group information is lacking.

One safe conclusion is that within all programs, there seem to be stellar examples of individual success. One youth in Corporate Careers was earning $17,199 a year at completion of the program; some youth in BAT and Career Pathways were doing quite well in apprenticeship fields. And, where good data were available for HUD/YCCIP and VICI, a number of youth were advancing in unionized, construction fields following participation in the programs.

Nevertheless, the problems of recruitment and dropping-out of youth and of recruitment of employers were often reported to be severe. Each of these areas is discussed. A review of outcomes on youth after program completion is covered in other sections of this report.

Recruitment of Youth

Evaluation studies of some of the projects reported substantial difficulties in recruiting youth. Other projects either had no recruiting problems or they were not reported by evaluators. The New Career Pathways Initiative was under-enrolled in three of its four sites. For example, Project

Opportunity in Wisconsin had aimed to enroll 120 youth and actually placed only 51 in nine months time. Public/Private Ventures attributed these difficulties to the following four causes: 1) in two sites, Wisconsin and Massachusetts, the economy was experiencing a "mini-boom"; 2) in California, staff had insufficient time for recruiting; 3) in Wisconsin and Massachusetts, CETA Prime Sponsors and the Employment Service offices were not helpful in referring youth to those projects; and 4) local representatives of these and other government agencies "questioned how suitable these programs (especially classroom training) are to youth in that age group in terms of long-term goals and planning."

The Corporate Career Demonstration Project also experienced unexpected difficulties in recruiting youth. Staff had expected a pool of 1500 applicants, but only 372 actually applied. Of these, 120 were selected, but their academic background was less than expected and training was redirected to include more instruction in basic skills. Because of this factor, a cost-benefits analysis of CCD would show huge costs relative to the benefits.

BAT had explicit goals to recruit minorities and women into union apprenticeships, but males were 84% of participants in Rhode Island and 92% and 93% respectively in Des Moines and Rockford. ETS evaluators reported that parents discouraged some girls who were interested and in other cases, employers dismissed female apprentices for "distracting" men on the job. Most women simply did not consider the program. White, middle class youth were the predominant participants, perhaps because they were more likely to be hired than blacks by employers who interviewed applicants and because disadvantaged youth may already have dropped-out of school.

Attrition of Youth

These new programs experienced dropout rates of one-quarter to one-half of participants. Data varied among programs: sometimes information was collected on program completion rates, sometimes on positive termination rates which included program completers plus dropouts from the program if youth went back to school or found unsubsidized jobs.

> New Career Pathways -- Of 200 youth entering the four programs, 47 or 23% had terminated their enrollment by the time of CP/PV's evaluation. Twenty-one or 10% of the overall sample were negative terminations for such reasons as unsatisfactory attendance and misconduct.
>
> VICI and HUD/YCCIP both had 37% negative termination rates for reasons such as: quits, firings, poor attendance, fighting, crime, poor work or drugs. Another 25% and 19% respectively were terminated for "neutral" reasons such as: inappropriate age, lay-offs, health or family concerns, moves and transportation problems.
>
> The Corporate Career Demonstration Project started with 120 interns (116 on the first day of classes) and ended with 41. Forty-six interns or 34% had been negatively terminated from the program and thirty-five or 30% had voluntarily left the program, although they did have a job or were in school.
>
> BAT evaluators (at ETS) suggest that probably about half of the initial group of students remained in the apprenticeship and half dropped-out. Most youth, however, stayed at least through high school graduation. Most of the terminations were for positive reasons such as other employment or training.
>
> Giant Step evaluators at ETS found that about 37% of participants completed the program, 22% were "administratively separated," with the remainder leaving for other reasons.
>
> Project HOPE evaluators found that 25% of youth failed to complete the program.

Recruitment of Employers

Two of the projects which arranged for youth to be trained in private firms, New Careers and Corporate Careers, reported some difficulties in recruiting employers to participate. HUD/YCCIP and VICI worked with public or nonprofit agencies involved in community improvements and the training of youth was part of their mandate. Project HOPE seemed to have minimal trouble in placing youth in career exploration activities in health care agencies in the summer. BAT was judged to be successful in developing new apprenticeships for youth. There is no information on Giant Step recruitment.

The two programs with serious recruiting problems were New Career Pathways and Corporate Careers. According to CP/PV, three of the four sites in New Careers responded explicitly to employers' concerns about training and placement and were able to develop sufficient opportunities in small firms for the number of youth that they were able to recruit in the time available. Interviews with employers showed concern over excessive red tape and fears that laid off workers would require unemployment compensation. However, New Careers was able to offer an attractive package with the following elements: youth were pre-screened, the employer was guaranteed an interview with a candidate interested in the field, liability insurance was provided, a 100% wage subsidy was provided, enforcement of time sheets by the agency, and assistance from program staff in dealing with behavioral difficulties.

In addition, most employers who participated felt that with the wage subsidy their own time spent training youth was compensated. If the youth worked out and stayed with the firm, they had gained a skilled worker; if not, at least they had been compensated for their time and had provided a social service to the community at no net cost to the firm.

When employers did refuse to participate, it was for the following reasons: the firm was already fully staffed; the small employer did not believe he/she could provide appropriate training; small firms in machine trades (MTTPY) expressed concerns that trained youth would quickly move on to larger firms. Small to large firm movements were apparently the norm in the Cleveland area.

Finally, a fourth site, CPEC in Massachusetts, had major problems in finding stable employment opportunities for youth. One supposed advantage in selecting an emerging industry was the potential to influence the structuring of jobs within the new sector, such that entry-level jobs would be created which would be appropriate for disadvantaged youth and to institute patterns of training and upward mobility within the industry. However, the down side of such an effort was the instability of new firms themselves, for example, of 29 jobs line up in the summer, twenty had disappeared by the fall. Of 18 firms located through the Yellow Pages, nine had disconnected phones.

The Corporate Career Demonstration Project had serious difficulties finding placements for disadvantaged youth in the corporate world. During project planning, business leaders in Houston had expressed support for the idea and it seemed likely that interns would be placed easily. However, as the project began to pin down jobs, it was much more difficult than staff expected to develop high quality placements. Participants actually turned down some of the offerings, as for clerks in grocery food chains. Corporations, in refusing to take on youth, reported that they could not hire youth for only 25 hours a week or that youth were academically-deficient for their work. Others simply refused to accommodate in developing openings for youth, since jobs were unionized, the program was "federally-funded, they already had training or vocational education program or their work and work environment were unsuitable for disadvantaged youth."

Findings in the Context of Past Experience

The experimental YEDPA-funded training-job linkage programs confirm lessons from a long tradition of research and experience with job training. Among the lessons from YEDPA experience are the following:

Training can be a highly effective manpower strategy if the following conditions are met: 1) direct links are established between the skills gained in training and the needs of the employer; 2) where the entry-level job is in the "primary" labor market and prospects are good for a stable high-paying career; 3) when youth have reached the age and self-awareness to have chosen a job area; and 4) where employers are confident of the value of training offered by the school or program. Thus, for example, a review of vocational education and training research will show that certain proprietary schools or voc-tech institutes will have excellent placements. But these results depend on a shared understanding and confidence among trainees, the schools and employers as to the goals and quality of the training offered and the jobs to be attained.

The YEDPA-sponsored projects demonstrated success when these conditions are met and encountered problems when they were not. Specifically, the following conclusions have been drawn by program operators and evaluators in one or more instances:

o a small subset, usually less than half, of youth participants benefit greatly from training in terms of employment stability, high pay and access to jobs with potential for upward mobility. VICI succeeds in placing one of seven entrants in construction-related jobs; Corporate Careers increases average earnings and employment, but also propels at least one youth up to a $17,000 salary by the end of the internship; BAT places about half of its participants in apprenticeships or related jobs; and preliminary results suggest that New Career Pathways was doing well, particularly in MTTPY in Cleveland where youth worked with union instructors.

o one common element in these successes is commitment on the part of those youth who do stay in the program. Open Roads, for example, explicitly stated that "the most important quality for placement retention was genuine youth interest in the field." Conversely, both New Careers and Corporate Careers report the greatest difficulties between youth and supervisors and the primary reasons for negative termination come from poor motivation and attitude on the part of youth, rather than from skill-related deficiencies. Participation in intense skills training programs requires perhaps more commitment from participants than less intense services, such as pre-employment programs or even work experience.

o another common element is access into "sheltered" areas of the labor market, such as union apprenticeships or jobs with real potential in the corporate world. These two factors reinforce each other to some extent, because the incentives for youth to persist are greater when prospects are good for careers. New Career Pathways and Corporate Careers both reported these interrelations of access and motivation; youth were motivated when opportunities were there.

o new programs had difficulty overcoming negative stereotypes about CETA and non CETA youth. However, many employers expressed enthusiasm about such linkages once they had direct experience with youth. In particular, MTTPY and Corporate Careers reported surprise and enthusiasm on the part of employers. For example, MTTPY operators "were surprised at the good performance by the unscreened youth, and concluded that except in the case of real illiteracy, these youth were capable of learning the trade and finding jobs." Similarly, 86% of Corporate Career employers stated that their company had benefitted from participation in the program and 95% recommended continued involvement.

These findings confirm the validity of training specifically tied to jobs. But they also confirm recent thinking in the manpower field about the need to stratify the employment and training system. As Mangum and others have suggested, training should be offered to those youth who have a strong commitment to invest in training and to enter a given job area. Usually, these youth are older and some motivational and support systems may be required. A training program should expect high standards from youth and to the extent that it is selective, employers in the community will come to trust training establishments as a reliable source. As they do this, then increasing numbers of opportunities may be opened up for disadvantaged youth. Many of these features are embedded in the new Jobs Training Partnership Act with its emphasis on performance standards, a private sector role, and local choice in programming decisions.

CHART 1

Characteristics of Youth Programs Used for Comparisons to Job Corps

Youth Employment and Training Programs (YETP): Mostly in-school work experience and support services. Some classroom training and OJT. Higher income standards than Title II-B and up to 10 percent of funds may be used for non-disadvantaged youth.

Youth Community Conservation and Improvement Projects (YCCIP): Year-round community economic development activites for unemployed 16-19 year-olds. No family income requirements, but a substantial number of enrollees are economically disadvantaged.

Youth Incentive Entitlement Pilot Projects (YIEPP): A part-time work experience after school and full-time summer job for all low income youth in selected communities who either agree to stay in school or return to alternative school programs.

Ventures in Community Improvement (VICI): An intensive vocational skills training program in nine sites that used subsidized employment to transfer youth into construction-related union and apprenticeship jobs. Targeted to out-of-school youth. Larger work crews than under Supported Work and YCCIP, more supervisors, closer ties to unions and employee groups, and more skill training.

Supported Work: An enriched work experience program using public and private worksites, as well as entrepreneurial activities. Targeted to out-of-school youth, Supported Work provided extensive support services and gradually raised the level of responsibility required from trainees.

Job Factory: A three-week self-directed job search assistance program that teaches disadvantaged high school dropouts and graduates how to find a job. Subsidies are paid during participation and bonuses for finding a job.

Jobs For Youth (JFY) and 70001: Short pre-employment programs for dropouts that try to place youth in private sector, unsubsidized jobs. No stipends. Some enrichments are provided, such as GED and counseling/motivation activities.

Vocational Exploration Projects (VEPS): Exposure to private sector and union-related jobs through simulated workplace exercises in a classroom setting, job shadowing in the worksite, field trips, role models, and the like. In some instances, a limited work experience in the private sector.

OIC/Career Exploration Project (OIC/CEP): One of nearly a dozen Title IV enriched summer discretionary projects. Targeted to low income, "high risk" youth, including criminal offenders and potential offenders. A larger share of dropouts served in OIC/CEP than other summer programs.

CHART 1 (continued)

Bureau of Apprenticeship and Training (BAT): Three demonstrations for in-school youth that were aimed at developing interest and entry into apprenticeship positions. Overall, these programs served a more advantaged population than other demonstrations and the Job Corps. The projects were administered by DOL's youth office and the Bureau of Apprenticeship and Training. Sites were Des Moines, Iowa; Rockford, Illinois, and Providence, Rhode Island.

Health Opportunity Project (HOPE): A non-residential program to train in-school youth for entry into health careers. Similar to other day training programs serving a minority of dropout youth and targeted on specific industries, such as machine trades or printing trades. Project HOPE was a community endeavor operated by the Pacific Economic Resources League (PERL), a nonprofit community-based organization, in cooperation with the Unified School District of Oakland, Calif. Project HOPE can be described as a pilot program, developed to link youth with health career training and employment opportunities throughout the Oakland Bay Area Communities. The program was designed to serve disadvantaged minority youth at the secondary level of education by implementing a cognitive biomedical curriculum and effective support services. In addition to providing a constructive relevant program for youth, Project HOPE planned to provide a group of well-prepared youth for possible employment in the health industry and constructive involvement as citizens of the community.

APPENDICES

CHART 2

A - Key Characteristics of Youth Participants by Program

Program	% Black	% Dropouts	% High School Graduates	% Female
1. YETP (FY 80)	34.6	21.4	13.4[a]	52.5
2. YCCIP (FY 80)	33.7	60.4	19.0	24.8
3. HUD/YCCIP (FY 78-80)	68.0	60.0	21.0	24.0
4. YIEPP (FY 79)	73.0	10.0	None	50.0
5. VICI (FY 79-80)	79.0	74.0	24.0	18.0
6. Supported Work (FY 75-79)	74.0	100.0	0	12.0
7. Job Factory (FY 80)	36.5	31.5	55.0	45.3
8. Jobs for Youth (FY 80)	64.9	86.1	13.9	37.5
9. VEPS (1979-80 Academic Year)	49.2	Separate programs for in-school and out-of-school youth		52.1
10. OIC-CEP (FY 80)	78.0	16.0	6.0	48.0
11. BAT (FY 80)	3.0	0	0	16.0
12. HOPE (FY 79-80)	95.0	0	0	69.0
13. CETA Title II-B (FY 80)	39.0	See Chart I	NA	52.0
14. CETA CT (FY 80)	53.0	See Chart I	21.0	53.0
15. CETA OJT (FY 80)	46.0	See Chart I	21.0	37.0

CHART 2 (continued

B - Age of Youth in Programs

Program	
1. YETP (FY 80)	< 16 = 11% 16-17 = 49% 18-19 = 28% 20 + = 12%
2. YCCIP (FY 80)	< 16 = 0 % 16-17 = 51% 18-19 = 46% 20 + = 2%
3. HUD/YCCIP (FY 78-80)	$\bar{X} = 17.7$
4. YIEPP (FY 79)	In school median age is 16; out of school median age is distributed evenly among 16-19 year olds.
5. VICI (FY 79-80)	15 = 1% 16 = 8% 17 = 23% 18 = 35% 19 = 32% 20 = 1%
6. SUPPORTED WORK (FY 75-79)	$\bar{X} = 18.2$
7. Job Factory (FY 80)	$\bar{X} = 18.3$
8. Jobs for Youth (FY 80)	$\bar{X} = 16.6$
9. VEPS (1979-80 Academic Year)	$\bar{X} = 17.4$
10. OIC-CEP (FY 80)	≤ 15 = 1% 16 = 42% 17 = 29% 18 = 15% 19 + = 11%
11. BAT (FY 80)	16 = 3% 17 = 73% 18 = 24%

ın Programs

16 = 11%
17 = 49%
19 = 28%
+ = 12%

16 = 0 %
17 = 51%
19 = 46%
+ = 2%

$\bar{X}$ = 17.7

school median age is 16; out of ıool median age is distributed ·nly among 16-19 year olds.

15 = 1%
16 = 8%
17 = 23%
18 = 35%
19 = 32%
20 = 1%

$\bar{X}$ = 18.2

$\bar{X}$ = 18.3

$\bar{X}$ = 18.6

$\bar{X}$ = 17.4

.15 = 1%
16 = 42%
17 = 29%
18 = 15%
9 + = 11%

16 = 3%
17 = 73%
18 = 24%

≤15 = 1%
16 = 44%
17 = 39%

<16 = 12%
16-19 = 60%
20-21 = 28%

CLMS data for FY 80 shows that 39% of youth in adult-orientated CETA programs are 18-21 year olds.

·st-high school attenders.

ːe II-B are based on the percent .e II-B services.

APPENDICES

APPENDIX A

A. Educational Testing Service/Standard Assessment System*

The SAS data base can be defined as a longitudinal cohort study with local control/comparison groups. It was a field experiment without the advantages of random assignment. The administration of the SAS instruments and the collection of the post-program activity status data were under the control of the program personnel.

Since there was no systematic attempt to randomly assign youth to treatment and control groups in many projects there can, at best, be only qualified statements about the impact of program participation on employment outcome. Give the lack of random assignment, the analyst is left with the problem of how to make causal inferences from a "comparative" study. A proper standard of comparison requires that the performance of the comparison or control group be an adequate proxy for the performance of the treatment group if they had not received the treatment.

Participant-Control Comparability

One approach to obtaining such a standard is to choose control groups that are comparable with respect to all important factors except for the specific treatment. This was what the program personnel were instructed to do. Although even if we can assume that the program personnel "went all out" to achieve sufficient comparability it is seldom possible to achieve this between participant and control groups. This is especially true in the case of several confounding variables. Given that the comparison groups could not always provide matches to their participant cohorts, a number of analytical bias reduction techniques were and are being examined. Both the first and second matching methods were used for selected programs where there were either no controls or they were of insufficient number and/or were clearly not comparable.

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* This appendix is drawn from an unpublished document by ETS describing their matching procedure.

As a check on the matching techniques, both method 1 and method 2 matching procedures were applied to YCD year one data (a set of data where the controls appeared to be quite similar to the participants) to see if they yielded similar estimates of treatment effects as did participant-control comparison using the "real" YCD controls. Method 2 in combination with regression adjustments yielded quite similar results to the actual YCD treatment estimate, while method 1 yielded considerably disparate estimates and thus was discarded. It was no great surprise that method 2 proved to be superior, since the most recent work on bias reduction in non-experimental design situations suggest that over a broad range of situations, the nearest available pair matching using Mahalonabis metric matching, together with regression adjustment . . . is an effective plan for controlling the bias due to confounding variables, even for moderately non-linear relationships (Rubin, 1979; Anderson, et al. 1980). Over a wide range of distributional conditions used in his (Rubin) Monte Carlo study, this metric matching method reduced the expected squared bias by an average of 12% more than did random sampling with no matching. The method as presented here is a slight variant of the Rubin procedure since it applies the Mahalonabis distance function to cell centroids and is thus likely to be somewhat less robust to non-linearities.

Bias Reduction

None of the bias reduction methods, however, can correct for an incompletely specified model. That is, there is always the possibility that unmeasured confounding variables could be biasing the estimates of the treatment effect. Some steps can be and have been taken to minimize this source of bias (although not eliminate it). We have been developing an employability index based on a subset of items from both the knowledge measures and the attitudinal measures which show item-employment outcome correlations. Using these employability scores along with reading ability and the usual demographics as controls (covariates) it is felt that at the least, we have a fair chance of arriving at reasonable estimates of the treatment effect.

In order to alert the reader to questionable estimates of treatment effects, summary tables in our reports are presented which show adjusted means and unadjusted means.* When the adjusted means are considerably different than the unadjusted means, one has to question the appropriateness of the analyses of covariance adjustment. It has also been our practice to present adjusted effects in terms of standard deviation units so the reader has a feel for the size of the effect and can compare across programs with different sample sizes.

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* Adjusted for the following variables: race, sex, economic status (OMB) previous work experience, age at interview, educational status, reading score.

APPENDICES

APPENDIX B

B. ETS/SAS "Match" Technique

This appendix outlines two methods of estimating control mean outcomes for programs with either no controls or "insufficient" numbers of controls. The first method is the simplest method of estimation and will be dealt with first. This method is a modification of the Belson method.

The method is as follows:

(1) Using the pooled controls across all programs, regress post-test scores, working full-time, job quality, job aspiration, full-time activity status, working full-time but not attending school on (a) geographical area, (b) urban-rural, (c) sex, (d) age, (e) educational level, (f) black, hispanic, other, (g) Hilton's disadvantaged scale minus step score, race, and educational level, (h) the six pre-test scores and the step scores, (i) local unemployment rates, (j) time since pretest.

(2) Using the above control group regression equation, estimate the predicted outcome mean score for the "artificial" controls by inserting the participant group means in the above control equation.

(3) An approximate test of program's effectiveness (d_t) will be

$$d_t = \frac{\left(\bar{x}_p - \hat{\bar{x}}_c\right)}{\sqrt{\left(\frac{2N_p \sigma_p^2}{2N_p - 2}\right)\left(\frac{2N_p}{N_p^2}\right)}} \cong \cancel{t}\; 2N_p - 2 \text{ df.}$$

while an approximate measure of the size of the treatment effect

is $\left(\bar{x}_p - \hat{\bar{x}}_c\right)/\sigma_p$

(4) when there are some controls available but much less than N_p then

$$\hat{\bar{x}}_{ct} = \frac{N_o \bar{x}_o + N_c \hat{\bar{x}}_c}{N_o + N_c}$$

where $\bar{x}_o$ = controls with data and $N_c = N_p - N_o$.

The second method relies on matching individuals from the control population to the centroid of the program participants. That is, the total control population will be divided into 36 cells based on sex x minority status x geographical region x urban-rural. If the program is in the urban northeast then we will only be concerned with the sex by minority cells which are also urban and lie in the northeast. Then let $\underline{v}$ be the vector of means for participants in a particular program. The variables in $\underline{v}$ will be age, Hilton's disadvantaged scale, (minus step, race, and educational level), step, educational level and the six pre-tests. All eligible controls will be compared with $\underline{v}$ using the following distance measure

$$D_i = \underline{v}^{*1} S_c^{-1} \underline{v}^{*}$$

where

$$v^{*1} = \left[x_{1i} - \bar{x}_1;\ x_{2i} - \bar{x}_2; \ldots x_{pi} - \bar{x}_p\right]$$

and $\bar{x}_j$ = the respective participant group means

x_{1i} = score of ith control group member on the first variable.

S_c^{-1} = inverse of the variance covariance matrix among the p variables in the control population i. e. northeast, urban.

Within each of the six sex by race cells, compute all D_i's and rank them from low to high. Then if 10% of program participants are white females, then one would select the 6 lowest D_i's from that cell. We are assuming a participant group of approximately 60 people. Having selected a control group for each program, the normal ANCOVA model can be run.

It would be useful to test out these two methods of selecting controls by comparing the groups selected with the "real" controls from those programs which indeed do have controls.

VII. Estimation of overall category effects.

Although we will have estimates of overall treatment effects for each of the outcomes from the pooled analysis, these estimates could be improved upon by using a more sophisticated pooling approach. That is, the unmodified pooled estimates are simply weighted by the "N" sizes which in turn don't necessarily reflect any particular sampling frame. A possible improvement on the "N" weighted pooled estimate would be to weight the individual program estimates inversely by their standard errors. In this fashion, those programs having more precise estimates of treatment effects will carry the greater weight in the pooled estimate. The preciseness of the estimate of a treatment (as measured by its variance or standard error) is only partially a function of "N" size. A "poorman's" Bayes estimate of the overall treatment effect in a particular category (e.g. summer) may be obtained as follows:

$$\left[\Sigma(b_i)\left(\frac{1}{V_i}\right)\right] \Big/ \left(\Sigma\frac{1}{V_i}\right) \qquad (1)$$

where τ = pooled category treatment effect

$\hat{b}_i$ = raw score regression weighted associated with the treatment dummy within the Kth program

V_i = squared standard error of the regression coefficient b_i

A more sophisticated approach for estimating τ requires a Monte Carlo type solution to the following equation

$$\hat{P}_j = \left(\frac{\Pi \Delta_i}{V_{*j}^{K-1}\Sigma \Delta_i}\right) \text{expon} \left\{-\frac{1}{2V_{*j}}\left[\Sigma \Delta_i \hat{u}_i^2 - \frac{(\Sigma \hat{u}_i \Delta_i)^2}{\Sigma \Delta_i}\right]\right\} \qquad (2)$$

where V_{*j} = unknown variance hyperparameter

$\hat{P}_j$ = relative likelihood of each value of V_{*j} given the observed b_i

Δ_i = $V_{*j}/(V_i + V_{*j})$

and equation (2) above is solved for selected values of V_{*j} and using $\hat{b}_i$ as estimates of the $\hat{u}_i$

The values of V_{*j} will be say $V_{*j} = j - 1/2;\ j = 1{,}100$

Solving equation (2) for $\hat{P}_j$ for each value of V^*_j and then for each $\hat{P}_j$ computing

$$\frac{\hat{P}_j}{\sum_{j=1} \hat{P}_j} = P_j \qquad = P_j \text{ the probability of } V_{*j} \text{ given th-} \tag{3}$$

observed program treatment effects in a particular category. Then to get a more precise Bayesian estimate of the total category treatment effect we have

$$\tau_2 = \sum \left(\hat{\ell}_i \Delta_i / \sum \Delta_i \right) \tag{4}$$

where the V_* used in computing Δ_i will be the V_* having the highest P_j from (3) above. The variance of τ_2 is $V_*/\sum \Delta_i$.

We will compute τ_1 from equation (1) and also τ_2 from equation (4) for each of the test score gains and the 3 and 8 month follow-up outcomes. If there isn't too much difference between the estimates of τ_1 and τ_2 we will use the easier to compute τ_1.

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CHAPTER 4 - UPGRADING OUT-OF-SCHOOL YOUTH THROUGH WORK EXPERIENCE

1.0 Introduction

Work experience programs for youth have two primary purposes. One is to raise the ability of unemployed youth to perform on the job, so that they will be able to hold a job with an unsubsidized employer. The other is to increase the number of total jobs (subsidized and unsubsidized) held by low income youth. Those emphasizing the upgrading function of work experience (WE) programs are concerned primarily with future benefits, while those who view job creation as the primary goal focus on the current benefits in the form of added employment.

This chapter ignores the job creation aspect of WE programs and deals exclusively with whether these programs make low income, out-of-school youth more employable to unsubsidized employers. In one sense, it is awkward to isolate upgrading the job qualifications of youth from job creation. If jobs were readily available to disadvantaged young workers, then the experiences derived from WE programs might generally substitute for experiences the youth would have undergone in an unsubsidized job. Thus, judging the net impact of WE programs requires one to take account of how many of the program's jobs go to young people who would otherwise have been idle and how many go to youth who would otherwise have found unsubsidized jobs or participated in some other constructive activity, such as school or training.

In this chapter, we are largely content to analyze the gross effects of WE programs on the employability of disadvantaged youth. The next section considers the ways WE programs might affect the job chances of youth and how one might assess these potential effects. The third section describes briefly the individual WE demonstrations whose results appear in this chapter's review. In the fourth section, we present a reanalysis of the of the data from the demonstrations to determine the WE program effects on work attitudes and job knowledge. The fifth section examines effects on school enrollment. The sixth section provides an overall assessment of the effects of WE demonstrations on employment in the post-program period. We present conclusions in section 7 about the role of WE programs in making disadvantaged youth more employable.

2.0 How Work Experience Can Potentially Upgrade Young Workers

Work experience generally raises the employment and earnings of workers by increasing their productivity, lengthening their seniority, and offering the chance to document their abilities. A worker's productivity tends to increase over time as a result of the specific and general training that occurs on the job. Seniority may exert an independent impact on the worker's earnings, because of employment contracts requiring a relation between pay and length of service. Finally, a prior job permits a worker to provide prospective employers with reliable information about the worker's productivity.

Public WE programs can raise the employability of youth through only some of these mechanisms. Because of the temporary nature of the WE positions and the rare opportunity of youth to remain with the employer, the WE programs are unlikely to help by extending seniority or providing specific on-the-job training. This leaves general training and the work record provided to subsequent employers as the mechanisms by which WE programs raise the employability of low income youth.

The general training learned on the job could come in a variety of forms. A program may teach concrete skills, such as typing, filing, or auto repair, that can be used when working for many employers. Alternatively, the program experience may transmit good work habits, positive work attitudes, and knowledge of how to look for other jobs.

Independent of any effects on changing youth abilities or attitudes, WE programs may help low income youth find jobs by helping them develop a work record. Documenting the reliability of specific young workers and transmitting this information to prospective employers could prove vital, especially in a world in which firms must rely on rules of thumb (or statistical discrimination) in making hiring decisions. In this context, WE programs may help youth by lessening the costs to employers of distinguishing one young person from another. Of course, the program's documentation of how specific youth perform will only improve the job prospects of participants if employer impressions are more negative than the actual job performance of youth participants.

Another way WE programs may reduce information costs and raise youth employment comes through interactions between young participants. By bringing together many low income youth interested in working, the program may provide a vehicle for youth to learn about jobs and to provide a reference to employers through their acquaintance with other youth.

The training and information mechanisms suggest alternative approaches to evaluating the effects of WE programs. To the extent that

WE programs transmit general training, drawing conclusions on the basis of immediate post-program outcomes is likely to bias the results downward. As Taggart and others have pointed out, evidence from the post-program period is especially problematical in judging program effects on youth. Since youth are in a highly mobile stage with respect to school and to the choice of job, the full impact of any true effect may not appear until well after the program ends.

This objection to immediate post-program evidence loses most of its force when considering the potential contribution from information generated through WE programs. If providing a work record that can be transmitted to employers is the way WE programs can increase youth employability, then any program effect is likely to show up soon after the WE program ends. The information-induced effect may or may not erode over time, but any effect not present soon after the program would be unlikely to appear in later follow-ups.

The usual strategy for evaluating youth WE programs is to rely on observed effects on employment in the post-program period. The need for an early assessment as well as cost and attrition problems make long-term follow-ups difficult, expensive, and rare. This means that the evaluations tend not to capture the full impact of general training and improved work habits.

This chapter supplements the usual analysis of post-program outcomes with direct measures of in-program effects on several youth attributes. After the next section describes the WE demonstrations and presents data on participant characteristics, section 4 looks at whether WE programs improved work attitudes, job knowledge, job seeking skills, and self-esteem by analyzing data on youth before and after their participation in the program. Section 5 considers in-program effects on school enrollment and the potential indirect effects on youth employment opportunities. The conventional post-program analysis appears in section 6. We conclude in section 7 with an overall assessment of the work experience approach for out-of-school youth.

3.0 The YEDPA Effort to Assess Youth Work Experience Programs

The research and development strategy that developed under YEDPA combined an effort to evaluate the work experience approach with an attempt to determine which kinds of work experience components work best. As a result, instead of providing depth on the basic issue of whether WE programs raise employment opportunities of low income youth, the YEDPA demonstrations and evaluations yield information on a mix of issues concerning how WE programs operate and perform under a variety of models.

Among the questions raised about how best to develop job creation programs were:

1) do WE programs providing jobs in the private sector exert a differential impact on out-of-school, disadvantaged youth than those providing jobs in the public sector?

2) how well do programs that create work experience opportunities in construction activities for community improvement perform in in raising the earnings prospects of youth?

3) what is the impact of work experience efforts involving graduated stress and close monitoring of participants?

4) does combining work experience with education have effect that relying on work experience alone? and

5) does mixing youth from different income backgrounds in job creation programs raise the gains made by low income youth?

This paper reviews what was learned about these issues from the results of several research and demonstration projects, including:

-----the Supported Work Demonstration for Young High School Dropouts (SW);

-----Ventures in Community Improvement (VICI);

-----Housing and Urban Development's Youth Community Conservation Improvement Program (HUD-YCCIP);

-----Public-Private Job Creation Demonstration (Pub-Pr);

-----the Youth Incentive Entitlement Pilot Projects for out-of-school youth (YIEPP); and

-----the Service Mix Demonstration Project (SMDP);

Describing the activities of these projects is the first step in integrating the findings. The second part of this section presents data on the characteristics of participants.

3.1 A Description of Selected Work Experience Projects for Out-of-school Youth

Supported Work was a national job creation demonstration program for four groups of disadvantaged workers: young high school dropouts, AFDC mothers, former drug addicts, and former criminal offenders. The Manpower Demonstration Research Corporation (MDRC) provided major help to the Federal government in the design, management, monitoring, and evaluation of the project. MDRC served as an intermediary between the government and the program operators and between the government and evaluators.

Although the program integrated all the groups into the work and counseling activities, the analyses of the demonstration's effects dealt with each of the groups separately. The analysis sample of demonstration participants from the treatment and control groups was about 1250 youth. The three features that were to distinguish SW from other job creation programs were peer group support, graduated stress, and close supervision.

Wide variations occurred in the nature of the programs in the five sites studied intensively. The share of slots filled by youth ranged from 11 to 53 per cent; the average crew size from 3.1 to 7.4 workers; the share of supervisors with prior experience working with target groups from 10 to 75 per cent; and the paid time in nonwork activities from 0 to 5 per cent. Differences also emerged across sites in the types of jobs. Construction jobs in the five sites were 3, 18, 21, 35, and 60 per cent of all jobs; manufacturing ranged from 0 to 16 per cent of jobs; and business services (such as clerical jobs) ranged from 4 to 95 per cent of jobs.

The evaluation of SW constitutes one of the most comprehensive and well-documented efforts to assess the costs and benefits of work experience for young high school dropouts. The demonstration utilized random assignment so that its treatment and control groups clearly came from the same pool of youth. The post-program follow-up was lengthly; analysts collected detailed cost data, attempted to measure the value of output produced by the program; and employed sound analytical techniques.

Ventures in Community Improvement was another large, multi-site job creation demonstration program. VICI provided intensive work experience along with skills training mainly in the construction trades. The

Corporation for Public/Private Ventures (CPPV) had much of the major operational responsibility for VICI. In addition to helping design the project and choose the sites and program operators, CPPV also undertook the evaluation of VICI.

At the 8 VICI sites, disadvantaged youth dropouts worked on projects ranging from major home rehabilitation to home weatherization. Work crews were to be small (about 10 youth) and to be led by highly skilled supervisors. In addition, the projects were to establish cooperative agreements and informal linkages with referral and placement agencies, labor unions, educational institutions, and agencies able to provide suitable work sites.

The evaluation of VICI dealt with the process of implementation, the value of project output, the in-program earnings effects, the post-program effects on earnings, and the potential for replicating VICI. The analysis sample included about 600 participants (470 who received treatment and 131 who were part of the comparison group drawn randomly from the VICI waiting list).

HUD-YCCIP was a demonstration project involving the use of the Department of Housing and Urban Development as the manager of Youth Community Conservation Improvement Programs operated by nonprofit community-based organizations in 10 sites. In addition to their assessment of the HUD-YCCIP demonstration, evaluators of the project compared HUD-YCCIP with the VICI sites and with conventional YCCIP sites operated by local CETA prime sponsors.

As in the case of VICI, youth participating in a HUD-YCCIP project worked in construction-related jobs and received training and supervision from craftsmen skilled in one of the building trades, such as carpentry, paining, or masonry. Over 3000 youth participated at one of the ten HUD-YCCIP sites.

The evaluators examined the effects of HUD-YCCIP on the CBO organizations operating sites, on the youth, and on the communities served. Although the HUD-YCCIP evaluators did not have access to either a control or untreated comparison groups, they did compare the outcomes of HUD-YCCIP youth with outcomes of VICI and selected prime sponsor YCCIP sites.

The Public Versus Private Jobs Demonstration Project created jobs for out-of-school, disadvantaged youth in public agencies, in private nonprofit agencies, and in private for-profit firms. The primary purpose was to determine whether one set of work sites proved more effective in employing youth and in raising their post-program earnings. The demonstration took place in 5 sites, under the direction of local CBO's in coordination with the Department of Labor's Office of Youth Programs, and St. Louis University's Center for Urban Programs.

At each site, operators enrolled about 280 youth and randomly assigned half of enrollees to the public and half to the private sector. Of those youth enrolled, only about two-thirds of actually started working at a program job. In order to make these assignments, local operators had to assure the availability of job slots in each sector. To do so, the operators had funds to subsidize 100 per cent of the costs of hiring participants in the public or private sectors.

Unlike the Supported Work, VICI, or HUD-YCCIP projects, the jobs did not involve requirements for close supervision or skills training. Moreover, the jobs ranged widely in both the public and private sectors. Public jobs were primarily in human resource agencies (43 per cent), health facilities (19 per cent), or schools (11 per cent). In the private sector, youth worked primarily in wholesale or retail trade (30 per cent), service industries (32 per cent), or manufacturing (20 per cent). Differences between sectors in occupational categories were less pronounced. Clerical and service jobs accounted for about two-thirds of jobs in both sectors.

The evaluation of this demonstration focussed on whether work experience in the private sector helped youth more than work experience in the public sector. Another part of the analysis dealt with the difficulty of developing job placements in the two sectors.

YIEPP also created jobs for out-of-school youth in one aspect of its operations. Although the demonstration primarily worked with in-school youth, YIEPP's out-of-school component represents one kind of job creation strategy for young high school dropouts. Unlike the other out-of-school approaches, YIEPP provided jobs only to those dropouts willing to return to school. An out-of-school youth did not have access to a YIEPP job outside the school setting.

In addition to YIEPP's unusual requirement that participants remain in or return to school, YIEPP was distinctive in its ability to offer jobs on an open-ended basis. In selected areas, any 16-19 year-old poor high school dropouts willing to return to school had access to a part-time, school-year job and a full-time, summer job under YIEPP.

As the program developed, it became clear that schools other than the existing high schools would have an advantage in attracting young dropouts to take jobs and return to school. In response, several sites helped to created alternative school settings for dropouts who wanted to participate in the program without returning to their former school.

Evaluators have estimated how many youth initially out-of-school actually participated in the program, returned to school because of the program, and became employed because of the program. As of this writing, reports on the experience of participants after the program are not yet available. Data on program costs currently exist, but not by initial school status.

The **Service Mix Demonstration Project** created jobs for out-of-school youth in a way that was designed to test whether it was desirable to supplement work experience with services, education, and/or training. At two of the three program sites, operators assigned youth to 1) full-time jobs with minimal services, 2) part-time jobs with classroom education and training, or 3) a full program of training. The third site limited the demonstration and excluded the full-time training (3) from the service options. Often, youth in mixed services did not engage in both work and training (or other services) within the same week, but instead alternated between full-time work for a few weeks and full-time training for a few weeks.

To make reliable judgements about the differential effects of alternative work and service packages, one would want to vary the treatment without altering the type of youth receiving treatment. To aid in this process, sites attempted to assign youth participants with similar characteristics randomly to each service option. Unfortunately, it is unclear how well they succeeded since enrollment and acceptance of a particular assignment were entirely voluntary. This feature of the demonstration could clearly create problems if, for example, the more motivated youth tended to volunteer more frequently for training than did the less motivated youth.

The evaluation placed primary emphasis on comparing the attitude and post-program employment outcomes of youth going through alternative treatments.

3.2 Characteristics of Youth in Work Experience Demonstrations

Job creation initiatives for out-of-school youth have generally aimed at low income, high school dropouts. Virtually all the projects serve groups of youth with poor labor market opportunities, weak or nonexistent employment records, and a current inability to find a job. Thus, it is not surprising to find considerable homogeniety in participant characteristics across programs and demonstrations. Still, within the general pool of low income, out-of-school youth, important differences can and do emerge.

Examining the data on characteristics of participants is of genuine importance to the synthesis of work experience projects. If participant characteristics were similar, then the outcomes of individual projects would suggest what kinds of programs work best. However, the more the variation across projects in participant characteristics, the more difficult it becomes to distinguish effects based on project models from effects related to the types of participants.

Before presenting profiles of participants, we must note some limitations of the comparisons. First, the reporting and collection of data often does not allow one to examine fully how characteristics differ between projects. While some work projects servicing out-of-school youth also help some in-school youth, it is difficult to derive characteristics numbers from these projects for only the out-of-school youth participants. To some extent, we can overcome this problem by performing independent computer runs on program data. But often, the only data available come from published reportes.

A second problem comes from the noncomparability of questionnaire and interviewing approaches. Again, the ETS/SAS system established by the Department of Labor has diminished this problem by requiring most YEDPA-funded demonstrations to utilize a common set of instruments. However, some important projects, such as Supported Work, VICI, and HUD-YCCIP, did not use the ETS/SAS instruments. The noncomparability problem affects the interpretation of comparisons of outcomes as well as characterstics.

Notwithstanding the data limitations, several clear differences and similarities in participant profiles emerge in Table 4-1:

-----ages of participants are similar across projects, as about half of all participants are 18 or 19;

-----the construction-oriented projects (Supported Work, VICI, HUD-YCCIP, and YCCIP) are dominated by young men, while the other projects are evenly

Table 4-1

Characteristics of Participants in Selected Job Creation Projects for Out-of-School Youth

	Supported Work	VICI	HUD-YCCIP	YCCIP Comparisons	Public-Private	Service Mix	YIEPP
	(percent of participants)						
Age							
Under 17		9		26	8	8	36
17	29	23		26	16	20	30
18	31	35		25	23	27	20
19	24	32		21	23	24	
20+	16	1		2	30	21	18
Sex							
Female	12	18	24	24	53	64	53
Race							
Black	73	79	68	39	64	66	89
White	8	5	13	16	29	13	4
Hispanic, and Others	19	16	19	45	7	21	7
Educational Status							
High School Student	0	2		21	0	0	91
Postsecondary Student	0	1	5	1	0	0	0
High School Dropout	100	74		66	95	53	7
High School Graduate, Not-in-school	0	23	22	13	5	47	0
Family Status							
Living with Parents	65						89
Married or Own Dependents	14						11
Independent Living	21						
Criminal Offender	57	8	17	26	6	10	

Sources: Evaluation reports on individual demonstrations appear in the Appendix.

split between young men and women;

-----the vast majority of participants in all projects are black or hispanic; only one project had more than 1 of 5 white (nonhispanic) participants and 3 projects had fewer than 1 of 10 whites;

-----high school dropouts made up nearly all the out-of-school participants, except for service mix with 47 per cent high school graduates and VICI and HUD-YCCIP with 23 per cent graduates; and

-----offenders made up a strikingly large share of Supported Work participants, but a small fraction of participants from other programs. Part of this difference is due to the lower share of young men in the Service Mix and Public-Private programs. In those two programs, offenders made up about 15 per cent of young men.

Additional detail on characteristics of Public-Private and Service Mix participants are available from the ETS data system. These data reveal:

-----of the female participants, over a third are in units receiving public assistance (43 per cent in Public-Private and 35 per cent in Service Mix); a third had no reported work experience; and about one of four had their own child; and

-----of the male participants, about 30 per cent did not report any work experience; and 25 to 32 per cent received public assistance.

The differences in participant profiles in Table 4-1 are sizable enough to raise questions about our ability to judge the relative strength of alternative approaches. In general, past research results indicate that employment and training programs help women participants more than men participants. Were this general result to hold for these work experience projects, then, for example, the public-private project would have an initial advantage over the Supported Work project based on the fact that its participant mix includes more from the group likely to benefit most from manpower programs. Similarly, the high share of offenders in the Supported Work project might make its outcomes not generalizable to programs that used a similar approach with a less disadvantaged youth population.

One way to overcome the problem of comparing programs with differences in the mix of participants is to utilize estimates of separate effects by youth subgroup. Rebecca Maynard reports a variety of subgroup effects in her evaluation of Supported Work. While these tests provide real evidence concerning the ability to generalize from the Supported Work demonstration, her results cannot control for differences in the effects on one group (say, those with no criminal record) that results from the presence of large numbers of another group (say, criminal offenders). Moreover, subgroup specific effects are generally not available in evaluations of other projects.

Participant differences in pre-program work experience may also influence a project's success in raising youth employment and earnings. The effect could go in either direction. Those with the weakest labor force attachment may benefit most, given their meager propects in the absence of the treatment. On the other hand, youth who have shown little past ability to obtain employment may be so unattractive to employers that small increases in their employability are not enough to raise their chances for finding a job. All the YEDPA programs and demonstration projects served youth with serious labor market barriers.

Although it is difficult to make straighforward comparisons of pre-program employment because of differences in the data collected and reported, the Supported Work, VICI, HUD-YCCIP and YIEPP evaluations present varying amounts of employment history information. Among the participants in Supported Work, about half had worked within the year before entering the program, about one-quarter had worked but not within the year, and about one-quarter had no work experience at all. The share of VICI participants with no work experience was also about 25 per cent, but the time since last job was not reported in the VICI evaluation. The HUD-YCCIP report presents only preprogram weeks of unemployment, rather than past work experience. HUD-YCCIP participants had been unemployed for an average of 23 weeks before entering the program. From the evaluation of the YIEPP program, we learn that only 14 per cent of the out-of-school participants (and 28 per cent of out-of-school eligibles) were employed during the quarter before the YIEPP began operating.

Information on the attitudes, vocational knowledge, and reading scores of participants is available for projects administering the ETS/SAS package of instruments. Unfortunately, only a few of the ETS/SAS projects created jobs for out-of-school youth. The service mix and public-private evaluations report how well youth performed on a variety of tests upon entering and leaving the programs. The scores appear as absolute numbers that depend on how many items participants answered in an appropriate way. In some cases, the score depends on how close the responses were to the most appropriate one. For example, the job holding skills test included 11 items scaled to represent behaviors ranging from the most to the least acceptable behaviors for maintaining employment.

The primary way evaluators have used these attitude tests is to examine the gains participants and controls make on the various measures of attitudes. No study has used the information to compare attitudes of participants with attitudes of the general population, perhaps because the tests were not given to a representative youth sample.

The only general population of youth taking the attitude and reading tests administered to participants in the YEDPA demonstrations was the control group under the Jobs for Delaware Graduates (JDG) project. When we compare in Table 4-2 the mean test scores of disadvantaged youth participating in 3 YEDPA job creation projects with a scores of the general youth population, we see surprising low differences in test outcomes. In general, the JDG population did score higher than disadvantaged youth, especially in the reading scores. However, the means on attitude scores are very similar for the two groups.

4.0 Effects of Job Programs on Work Attitudes and Job Knowledge

In several of the YEDPA demonstrations, the Department of Labor initiated a special effort to examine in-program effects on attitudes and capacities that could affect long-term employment outcomes. The Educational Testing Service developed for DOL a Standard Assessment System that included tests on reading ability, on attitudes and on knowledge about the world of work. The tests covered vocational attitudes, knowledge about attributes of jobs, attitudes reflecting job holding skills, general work-related attitudes, job seeking skills, self-esteem, and sex stereotyping of jobs. The overall ETS data set included instruments for measuring the characteristics of participants, the status of participants at the completion of the program, the participant's views concerning the program, the assessment of participants by job counselors and work supervisors, and the participant's status 3 months and 8 months after the program.

Table 4-2

A Comparison of Attitude and Reading Scores of Disadvantaged Youth in Job Creation Projects and A General Youth Population Drawn from the Jobs For Delaware Graduates Project

Test	Disadvantaged Youth Sample	JDG General Youth Sample
STEP Reading	15.35	17.04
Vocational Attitudes	20.70	21.96
Job Knowledge	22.17	24.01
Job Holding Skills	30.84	30.82
Work Related Attitudes	48.45	49.56
Job Seeking Skills	12.25	13.31
Sex Stereotyping	45.76	46.06
Self-Esteem	36.55	36.11
Number	3975-4011 3101 (STEP)	176

Source: Unpublished numbers drawn from ETS/SAS data file, on JDG, Service Mix, Public-Private Demonstration, and Mixed Income Demonstration.

Many but not all YEDPA-funded demonstrations had a mandate to utilize these ETS instruments on individual participants as well as another ETS instrument designed to measure the costs, management, phase-up, service mix, and other aspects of program operation. The data sets do permit analyses and reanalyses of the impact of demonstrations. However, the data are subject to important limitations. First, some of the largest demonstrations did not utilize the ETS instruments. Of the job creation projects, neither program operators nor evaluators collected ETS-type data on YIEPP, VICI, or HUD-YCCIP. Second, often the operators of the demonstration projects with little or no experience in data collection were responsible for conducting the interviews. One result was massive attrition and sometimes unreliable numbers. Moreover, it is far from clear that the attrition was random or unaffected by decisions of program operators. Third, the tests measuring the attitude and knowledge of youth often do little to discriminate between those with good and poor attitudes. For example, among those in the public-private project, the mean score on the test for job-holding skills was 93 per cent of the maximum possible score. Other mean scores tend to equal about 75 per cent or higher of the maximum possible score.

In spite of these and other limitations, it is worth the effort to utilize some of the ETS data. For one thing, the ETS approach represents one of the few efforts to measure direct in-program effects on attitudes and knowledge. Most evaluations rely entirely on post-program effects even as a guide to assessing whether any positive in-program outcomes took place. The ETS/SAS battery permit some direct measurements of whether program activities altered selected attitudes and knowledge that could affect the young participant's career.

Of the demonstrations utilizing ETS data, the only large projects with a substantial work experience component were the service mix and public-private initiatives. (This excludes projects creating only summer jobs.) Unfortunately, neither of these projects included control groups. Nevertheless, it is worthwhile to examine whether the programs appear to improve attitudes or knowledge of groups of participants.

Undertaking such an examination requires taking account of the attrition problem. Doing so in the most appropriate way is highly costly and involves special problems of interpretation. For purposes of this analysis, we rely on standard tabulations and regression analysis.

The first step was to examine the actual changes in test scores by sex of participant. The basic data on initial score and mean change appears in Table 4.3. To facilitate the comparisons between tests, we rescaled all scores into percentages of the maximum possible score. Note that the average change in scores is close to zero on virtually all the measures. To gain some perspective on how participants changed their overall attitudes between entering and leaving the programs, we constructed an average for each individual across all scores (except sex stereotyping). Again, we find essentially no change in the average overall score.

While the average youth participant showed essentially no change in attitudes, it is still of interest to see what factors may have caused some youth to raise their attitude scores. To look at this issue, we

Table 4-3

Initial Scores and Gains on ETS/SAS Attitude and Knowledge Measures, by Program and Sex

	Service Mix Demonstration Project				Public versus Private Jobs Demonstration Project			
	Males		Females		Males		Females	
Test	Mean Pretest	Mean Change	Mean Pretest	Mean Change	Mean Pretest	Mean Change	Mean Pretest	Mean Change
Vocational Attitudes	.692	.013	.713	.040	.665	.043	.714	.060
Job Knowledge	.697	-.029	.734	-.011	.738	-.013	.770	-.021
Job Holding Skills	.921	-.013	.951	-.005	.924	-.018	.950	-.002
Work-Related Attitudes	.769	-.011	.763	.013	.755	.008	.775	.015
Job-Seeking Skills	.666	-.005	.732	.003	.717	-.014	.777	.005
Sex Stereotyping	.708	-.003	.720	.022	.706	.010	.765	.005
Self-Esteem	.813	-.008	.817	-.002	.814	-.004	.820	.009
Average Score (excl. sex stereotyping)	.756	-.008	.784	.006	.770	-.001	.801	.011

Source: Tabulations from ETS/SAS file prepared by author. These test scores reflect a rescaling of all scores to a percentage (0 to 100) basis.

regressed the change in each attitude score against individual characteristics, including age, race, family status, education, offender status, and presence of own children; the youth's participant status, including the service mix or public versus private job status; and the youth's initial test score.

Our approach differs significantly from the standard ETS analysis of test scores. The ETS methodology employs analysis of covariance to compare the mean pretest score with an adjusted posttest score that controls for pretest score, sex, race, economic status, and STEP reading score. The key issue of interest to ETS is whether the difference between the pretest and adjusted posttest is statistically significant.

We go beyond the ETS attitude analysis in several ways. First, we take an interest in the role of several independent variables, not simply the impact of the participant status variable. Second, by using the score change as dependent variable and pretest as an independent variable, we can examine whether score changes reflect a tendency for "regression toward the mean". This tendency could well occur since each score measures youth with some error. Given a positive error term on the first test and the expectation of an unbiased error term on the second, those with unusually high scores (for themselves) are less likely to gain than those with unusually low scores. Third, we allow for sex differences in the determinants of test score changes by employing separate regressions for young men and young women.

With seven separate attitude scores, two sexes, and two programs, displaying all the results would take several pages. We have chosen to

Table 4-4

Determinants of Changes in Attitude and Knowledge Scores, in the Public-Private Jobs Demonstration, by Sex

	Posttest Minus Pretest Scores					
	Vocational Attitudes		Job Holding Skills		Work Related Attitudes	
Independent Variable (Beta coefficients)	Males	Females	Males	Females	Males	Females
Private Job	-.018	-.034	-.111[b]	-.054	-.079[c]	-.037
Age at Entry	.044	.017	.050	-.007	.033	.029
HS Graduate	-.010	.044	.056	.124[a]	.055	.102[b]
HS Other	-.064	.044	.011	.054	.010	.047
Any Public Assistance	-.018	.001	.061	.040	.129[a]	.028
White	.109	.048	.175[b]	.121	.148[c]	.235[a]
Black	.104	-.014	.021	-.010	.013	.040
Previous CETA	-.031	.033	.040	.063[c]	.008	-.018
Family Head	.049	.123	.085	-.078	.094[c]	.006
Family Member	-.000	.062	.059	.010	.110[c]	.037
Own Child		-.031		.076		.018
Offender	.009		-.055		-.075[c]	
STEP Score	.313[a]	.141[a]	.206[a]	.110[a]	.267[a]	.153[a]
Pretest	-.487[a]	-.544[a]	-.471[a]	-.518[a]	-.49[a]	-.452[a]
R-Square	.199	.247	.230	.268	.229	.158
Observations	400	545	405	548	395	529

Note: Superscipts a, b, and c represent significance levels at the 1, 5, and 10 per cent levels.

Table 4-5

Determinants of Changes in Attitude and Knowledge Scores, in the Service Mix Demonstration Project, by Sex

Posttest Minus Pretest Scores

Independent Variable (Beta coefficients)	Vocational Attitudes		Job Holding Skills		Work Related Attitudes	
	Males	Females	Males	Females	Males	Females
Work/Classroom	-.108	.053	.014	-.011	-.118	.029
Classroom Only	.027	.022	-.097	-.038	-.144	.037
Age at Entry	.044	-.035	.018	.020	-.009	.001
HS Graduate	-.056	.090	-.008	.009	.004	.025
HS Other	-.093	-.056	-.043	-.048	.049	-.009
Any PA	-.034	.048	-.036	.007	.035	.060
White	$-.212^{b}$	.062	-.106	.045	$-.240^{b}$	.082
Black	$-.390^{a}$	-.012	$-.196^{c}$	-.074	$-.227^{b}$	-.060
Previous CETA	$.129^{c}$	.003	.128	-.007	.006	-.032
Family Head	-.020	.102	.074	-.052	.016	.091
Family Member	.051	$.187^{a}$	.064	.090	-.014	$.216^{b}$
Own Child		-.014		-.023		$-.108^{c}$
Offender	.086		.094		.069	
Pretest	$-.316^{a}$	$-.361^{a}$	$-.410^{a}$	$-.348^{a}$	$-.351^{a}$	$-.034^{a}$
R-square	.253	.168	.199	.156	.182	.137
Observations	150	291	150	294	148	296

Note: Superscipts a, b, and c represent significance levels at the 1, 5, and 10 per cent levels.

limit the presentation to the outcomes on selected tests. The regression results for the initial set of variables appear in Tables 4-4 and 4-5.

The regressions show that few factors contribute systematically to gains youth make during the program. One clear result is that youth who do exceptionally well (given their characteristics) on the pretest are likely to show sharp declines in scores between pretest and posttest. This does not imply that the program weakens the attitudes of previously high scoring youth. Rather, it reflects a common tendency known as regression toward the mean. Given the reality that each test score represents true attitudes plus an error term, a positive or negative error term on the pretest combined with an expected value (no error) on the posttest will produce a spurious negative correlation between pretest and posttest.

A second clear outcome is the positive effect of STEP reading score on the gains in attitudes. Where the STEP score was available (in the service mix project), higher reading scores consistently and significantly raised the gains young men and women made in vocational attitudes, job holding skills, and work related attitudes. This finding is consistent with the analyses by ETS showing the relationship between reading ability and gains in work and knowledge ares. Another indicator of educational attainment--attaining a high school diploma--has an independent positive impact on gains in the service mix demonstration, but not in the public-private demonstration.

Family status is the only other characteristic exibiting a pattern involving significant effects on gains. The signs and significance levels on coefficients indicate that youth living with their families (with someone else as family head) had higher gains than youth living independently.

In the absence of control groups in these two major work experience demonstrations, it is difficult to judge whether the program itself had any impact on attitudes or job-related knowledge. The mean differences showed virtually no change. So, barring any worsening on the part of similar youth not in the program, the overall impact was apparently zero.

It is possible to go beyond this way of assessing program effects by analyzing whether spending more time in the program raises the gains youth achieve in attitudes and job-related knowledge. The difficulty with this method is that the youth characteristics associated with the ability to gain on attitude tests are correlated with time in the program. For example, more highly motivated youth might both stay in the program and and raise their test scores as a result of their motivation. This could well leave no contribution from the program experience itself. This problem arises only if the variable(s) accounting for longer duration and higher gains is not observable or excluded from the multivariate analysis.

The problem should not be as severe when assessing gains since many of the unobservable ability and attitude variables should play their role primarily in affecting the level of the score as opposed to the change in the score. Still, to avoid this problem, we utilize a two stage least squares model of attitude change. The first stage is an ordinary least squares regression on duration (either hours or weeks), as in Tables 4-6 and 4-7. These equations yield estimates of predicted duration. In the second stage, we regress attitude change as a function of predicted duration and other variables. Because the duration variable cannot depend on unmeasured motivational factors, this approach bypasses the potential problem of bias. We ran separate regressions on the determinants of duration and of changes in each attitude score. We used this opportunity to enter dummy variables for each site in addition to assessing the impact of duration on attitude change. The results on the variables of interest appear in Tables 4-8 and 4-9.

On the basis of these regressions, staying longer in a job creation program consistently exerts a significant, positive effect on the four attitude measures. Only in 2 of the 8 regressions did duration fail to show up as statistically significant at the 10 per cent level or better. The size of the effects were small in the public-private project, but moderate in the service mix. An added 400 hours in the service mix generally raised attitude scores by 6-8 percentage points. Given the actual variability of hours and test scores, it turns out that a one standard deviation increase in program hours tended to raise attitude scores by a full standard deviation, or about 10 per cent of the initial score.

This evidence of a robust duration effect on attitudes is impressive, when one considers the mean change in attitudes was essentially zero for participants as a whole. It is also a hopeful sign, since it suggests that encouraging youth to stay in employment and training programs can improve their work-relevant attitudes.

Table 4-6

Determinants of Weeks of Program Participation in the Public vs. Private Demonstration Program

	Males		Females	
Variables	Beta and (B) Coefficients	Significance Level	Beta and (B) Coefficients	Significance Level
Intercept	(4.802)	.20	(8.29)	.03
Private Job	-.011 (-.204)	.69	-.046 (-.85)	.07
Age	.033 (.187)	.33	-.021 (-.13)	.48
HS Grad	.026 (.521)	.41	.011 (.20)	.71
HS Other	.049 (2.260)	.10	.019 (.88)	.48
Any PA	-.006 (-.116)	.85	.019 (.36)	.54
White	-.026 (-.493)	.71	.123 (2.48)	.10
Black	.008 (.147)	.89	.152 (2.97)	.03
Previous CETA	.054 (1.226)	.09	.031 (.72)	.25
Family Head	.051 (1.470)	.16	-.070 (-1.47)	.22
Family Member	.031 (.552)	.46	-.075 (-1.39)	.04
Offender	.028 (.687)	.35		
Own Child			-.000 (-.00)	.99
STEP	-.003 (-.102)	.93	-.007 (-.34)	.79
Site 1	-.047 (-1.11)	.31	.070 (2.16)	.05
Site 2	.030 (.574)	.58	.169 (3.37)	.00
Site 3	-.067 (-1.46)	.18	.031 (1.83)	.05
Site 4	.054 (1.256)	.18	.141 (3.19)	.00

Table 4-6 Continued

	Males		Females	
Variables	Beta and (B) Coefficients	Significance Level	Beta and (B) Coefficients	Significance Level
Reserv. Wage Exists	.353 (6.842)	.00	.401 (7.51)	.00
Reserv. Wage Times Existence Dummy	-.071 (-.298)	.31	-.008 (-.02)	.78
Rating Exists	.028 (.532)	.83	-.057 (-1.07)	.61
Rating Times Existence Dummy	.360 (1.795)	.00	.363 (1.64)	.00
R-Square	.476		.576	
Observations	649		701	

Source: Estimates by author from ETS/SAS data tape.

Table 4-7

Determinants of Hours of Participation in Service Mix Demonstration Project

	Males		Females	
Variables	Beta and (B) Coefficients	Significance Level	Beta and (B) Coefficients	Significance Level
Intercept	(224.8)	.54	(387.6)	.08
Work and Classroom	-.354 (-318.3)	.00	-.189 (-174.2)	.00
Classroom Only	-.251 (-232.7)	.00	-.055 (-67.9)	.23
Age	.017 (5.3)	.78	.012 (3.6)	.76
HS Grad	.087 (76.7)	.15	.063 (57.4)	.12
HS Other	-.065 (-101.1)	.25	.031 (66.7)	.39
Any PA	.001 (6.4)	.91	-.033 (-31.8)	.38
White	-.051 (-60.0)	.53	-.142 (-197.6)	.00
Black	.001 (1.3)	.99	-.053 (-52.0)	.40
Previous CETA	.053 (57.0)	.35	-.068 (-70.7)	.06
Family Head	.039 (54.8)	.57	.026 (25.6)	.66
Family Member	.224 (199.6)	.00	.067 (61.3)	.23
Offender	-.075 (-96.6)	.19		
Own Child			.006 (6.2)	.87

Table 4-7 Continued

	Males		Females	
Variables	Beta and (B) Coefficients	Significance Level	Beta and (B) Coefficients	Significance Level
Site 1	-.016 (-17.0)	.85	.094 (85.8)	.18
Site 2	-.169 (-154.2)	.06	-.221 (-267.1)	.00
Site 3	.149 (179.2)	.12	-.007 (-10.2)	.91
Site 4	.043 (53.6)	.54	-.105 (-180.6)	.02
Reserv. Wage Exists	.408 (351.3)	.00	.316 (290.6)	.00
Reserv. Wage Times Dummy on Existence	-.158 (-20.5)	.07	-.000 (-.1)	.99
Rating Exists	-.457 (-390.3)	.06	-.309 (-284.9)	.01
Rating Times Exists Dummy	.675 (142.7)	.00	.648 (145.0)	.00
R-Square	.307		.475	
Observations	279		488	

Table 4-8

Determinants of Gains in Attitudes and in Job-Related Knowledge in the Public versus Private Job Demonstration Project

Change in Test Scores
Coefficients and (Significance Level)

Explanatory Variables (see note)	Overall Attitude		Vocational Attitudes		Job Holding Skills		Work Related Attitudes	
	Male	Female	Male	Female	Male	Female	Male	Female
Private Job	-.01 (.08)	-.00	-.00	-.01	-.02 (.02)	-.01	-.01	-.01 (.40)
Pretest	-.42 (.00)	-.40 (.00)	-.43 (.00)	-.50 (.00)	-.68 (.00)	-.62 (.00)	-.50 (.00)	-.35 (.00)
Site 1	-.07 (.00)	-.02 (.16)	-.09 (.00)	-.01	-.07 (.01)	-.03 (.02)	-.07 (.01)	.02
Site 2	-.05 (.00)	-.01	-.09 (.01)	-.02	-.05 (.03)	-.04 (.00)	-.06 (.02)	-.01
Site 3	-.04 (.07)	-.01	-.07 (.03)	-.02	-.03	.01	-.06 (.03)	-.02
Site 4	-.02 (.20)	-.02	-.05 (.02)	-.02	.01	.01	-.02	.01
Predicted Weeks in Program (times 10)	.01 (.06)	.01 (.09)	.02 (.04)	.02 (.04)	.02 (.07)	.01 (.02)	.02 (.09)	.02 (.07)
STEP	.11 (.00)	.06 (.00)	.16 (.00)	.09 (.00)	.08 (.00)	.04 (.01)	.12 (.00)	.06 (.01)
HS Graduate	.01 (.08)	.01 (.02)	-.01	.01	.01	.01 (.01)	.01	.02 (.03)
Offender	-.03 (.02)		-.00		-.02 (.14)		-.03 (.06)	
Own Child		.01		.02 (.16)		-.06		.01
R-Square	.18	.18	.23	.25	.26	.30	.25	.17
Observations	407	553	401	546	411	548	396	532

Note: All variables appearing in Table 4-5 were included in the regressions, but not all are reported in this table. The significance levels that did not reach the 20 per cent level are omitted.

Table 4-9

Determinants of Gains in Attitudes and in Job-Related Knowledge in the Service Mix Demonstration Project

Test Scores
Coefficients and (Significance Levels)

Explanatory Variables (See Note)	Overall Attitude		Vocational Attitudes		Job Holding Skills		Work Related Attitudes	
	Male	Female	Male	Female	Male	Female	Male	Female
Work/Classroom	.05 (.19)	.02 (.06)	-.00	.03 (.06)	.07 (.08)	.01 (.16)	.03	.02 (.05)
Classroom Only	.03	.00	.02	-.00	.02	-.02	.01	.01
Pretest	-.11	-.20 (.00)	-.27 (.00)	-.40 (.00)	-.49 (.00)	-.42 (.00)	-.27 (.01)	-.30 (.00)
Site 1	-.01	-.03	-.02	-.06 (.12)	-.00	-.04 (.07)	.04	-.05 (.06)
Site 2	.10 (.01)	.03 (.16)	.08 (.06)	.03	.11 (.00)	.02 (.20)	.09 (.02)	.02
Site 3	.03	-.01	.02	-.03	.08 (.17)	.02	.09 (.14)	.01
Site 4	.06 (.10)	.04 (.07)	.05	.03	.05 (.14)	.05 (.01)	.04	.02
Program Hours (times 400)	.08 (.05)	.04 (.00)	.04	.06 (.01)	.08 (.05)	.04 (.08)	.06	.06 (.00)
Offender	.05 (.14)		.06 (.15)		.07 (.06)		.05 (.19)	
Own Child		-.01 (.20)		.01		.00		-.02 (.17)
R-Square	.25	.15	.18	.19	.29	.21	.23	.20
Observations	152	292	152	290	151	291	148	284

Note: All the variables in Table 4-5 are included in the regressions, but not all appear in this table. The significance levels that did not reach the 20 per cent level are omitted.

The regressions reveal considerable variation in attitude gains across sites. Among the service mix demonstration projects, sites 2 and 4 performed significantly better in improving youth attitudes and job-related knowledge than did the projects at other sites. In the public-private demonstration, sites 1 through 4 showed negative effects, leaving site 5 (the excluded dummy category) as the most successful. Still, its advantage over the other sites was not consistently significant.

The results provide additional evidence for the positive role of reading levels and the tendency for the tests to exhibit regression toward the mean. STEP tests are uniformly positive and significant factors and pretests and uniformly negative and significant factors in the gains youth participants show between pretest and posttest. Young offenders did slightly worse than average in public-private, but better than average in the service mix demonstration.

The key issues in the two demonstrations were whether one type of service and one type of employer is most effective at helping youth. Generally, variations across services and type of employer exerted only a small impact on attitudes. One exeception involved participants who combined work and classroom activities. They showed higher attitude gains than did the work only and classroom only groups. Youth in private jobs gained less than did youth in public jobs, but the differences were not substantial.

Conclusions About Program Effects on Job Attitudes

On average, youth participants in the Public-Private and the Service Mix demonstrations showed virtually no changes in vocational attitudes, job holding skills, work-related attitudes, job knowledge, job seeking skills, self-esteem, and occupational sex stereotyping. However, a detailed examination of tests measuring these changes reveals:

-----increasing the time youth spend in the program consistently raised the gains in youth attitudes;

-----those with higher reading scores achieved significantly higher gains than youth with lower reading scores;

-----participants receiving work experience and classroom training achieved higher attitude gains than did those in either work or classroom activities; and

-----some sites produced systematically and significantly more improvements in attitudes than did other sites. Usually, the "best" sites combined work and training opportunities.

5.0 Effects of Work Experience for Dropouts on School Enrollment

Work experience programs for youth can theoretically raise or lower school enrollment of participants. As Duncan, Lerman, Gustman and Steinmeyer, and others have demonstrated, increases in job opportunities can draw youth out of school and into the labor market. The tendency to drop out of high school into jobs is especially strong when full-time jobs are readily available. On the other hand, added job opportunities may sometimes increase youth school enrollment, as when the chance to earn money helps young people finance their education or their living costs. A positive impact of jobs on schooling is most likely to occur when it is part-time and summer jobs that are widely available.

In most jobs programs for disadvantaged out-of-school youth, policymakers and researchers ignore the potential in-program effects on schooling. Virtually no effort is directed at examining whether the availability of program jobs lowers the return to school rates of youth who are out-of-school when entering the program.

The notable exception to this rule occurred in YIEPP, a demonstration in which a primary purpose of providing jobs was to increase the likelihood that disadvantaged youth would complete high school. Since most youth taking YIEPP jobs were already in high school when starting the job, the natural focus was on YIEPP's impact on school retention. However, the evaluators also analyzed how making YIEPP jobs available to high school dropouts (who were willing to return to school) affected the rate at which dropouts returned to school. Although dropouts taking YIEPP jobs had to agree to return to school, some of the dropouts who took YIEPP jobs and returned to school might have come back even in the absence of YIEPP. This section reviews the estimates of YIEPP's in-program impact on the schooling of dropout youth.

Overall measures of YIEPP's role in drawing dropouts back to school come from longitudinal surveys of youth whose age, family income, and school status meet the YIEPP eligibility criteria. At the time of the initial survey, one group of these youth lived in YIEPP sites and the other in comparison sites. The initial survey took place just before YIEPP began operating; two subsequent surveys were undertaken in the Fall, 1978 and Fall, 1979.

Given these data, one can develop measures of the rate at which youth out-of-school in one year return to school the next. Comparisons of these return to school rates for pilot and comparion sites yield estimates of YIEPP's net impact. After adjusting for the numbers who took YIEPP jobs, one can estimate the effect on schooling of dropouts resulting from each YIEPP-funded job. It is important to be wary of assigning the full effect on schooling to the availability of a YIEPP job. The reason is that YIEPP operators sometimes made special efforts to create alternative education options for dropouts so that eligible dropouts could participate in YIEPP without having to return to the same school that they left. To the extent that these efforts meant that YIEPP sites offerred wider alternative education options than were available at comparison sites, some of the observed YIEPP effect on return to school rates may be due to the higher access to alternative education and not to the job itself. For similar reasons, if recruitment efforts to draw dropouts back to school were unusually extensive in pilot sites but not in comparison sites, then part of YIEPP's net impact might have been due to factors other than the YIEPP job.

Notwithstanding these limitations, the results indicate that YIEPP caused a significant increase in the extent to which dropouts returned to school. Moreover, this in-program benefit affected a large share of the dropouts taking advantage of the YIEPP job offer.

Overall, YIEPP raised the rate at which dropouts return to school by 55 per cent in Fall 1978 and by 10 per cent in Fall 1979. Instead of an expected 12.1 per cent of dropouts returning to school in Fall 1978, the rate in the presence of YIEPP was 18.7 per cent. Although the evaluators reported that the overall effect in 1979 was not statistically significant, this turned to result from the fact that some of the intial sample became too old to remain eligible for YIEPP. When they limited the analysis to the cohort aged 15-16 at an early point in the program (June 1978), the impact on return to school rates of dropouts was as high in 1979 as in 1978.

By combining results on participation and school attendance in pilot and comparison sites, it is possible to estimate the schooling impact per job created for high school dropouts. Of each 100 YIEPP eligibles as of Fall 1977, 18 were high school dropouts. About 4 of the 18 returned to school and 2 of the 4 took YIEPP jobs. The net impact analysis shows that 1.8 of these 2 returned to school because of YIEPP. However, another .5 participated in YIEPP but had not returned to school as of Fall, 1978. In sum, the 2.5 jobs provided to dropouts increased by 1.8 the number of dropouts returning to school. Another way of stating the outcome is that 72 per cent of the jobs provided to dropouts lead to new school enrollees.

But, how many eligible dropouts were interested in YIEPP if only about 15-25 per cent actually participated? It turns out that the share of dropouts who wanted to participate was about double the share of actual participants. As many as 25 percent of eligible dropouts report not having heard of YIEPP. Of the dropouts that reported knowing of YIEPP, 61 per cent applied, but only about 33 per cent actual participated. While a gap of this size between applications and participants is not ususual in employment programs with a fixed budget, it should not have occurred in an demonstration designed as an entitlement to all eligibles wanting to participate. Inadequate administration appears to have caused about 60-65 per cent of the gap between dropouts who applied and dropouts who participated. Thus, the program could have attracted nearly half of all eligible dropouts made aware of the program.

Unfortunately, in spite of YIEPP's success and potential ability to draw dropouts back to school, the program did little to stimulate dropouts to remain long enough to graduate high school. Of the dropout participants who had participated in YIEPP, 86 per cent had terminated as August 1980. But only about 10 per cent of these terminees had graduated high school. Indications are that no more that 15 per cent of dropout who participated in YIEPP ultimately graduated. The precise figure is not yet available nor is the impact of the added education (short of high school graduation) that YIEPP dropout participants attained.

6.0 Impact of Work Experience Programs on Post-Program Employment and Schooling

A major aim of work experience programs is to improve the long-term labor market opportunities of disadvantaged youth. As noted above, some view work experience programs as investments similar to those made in training programs. Putting youth in jobs could in principle raise earnings by training youth in proper job habits, by giving youth an employment record required by some employers, and by offering direct connections to jobs. But does the work experience actually raise youth earnings in the periods after the program?

This section reports on studies of post-program effects of Supported Work, Ventures in Community Improvement (VICI), HUD-YCCIP, Service Mix, and Public vs. Private demonstrations.* The most rigorous analyses deal with Supported Work and VICI, the only two major work experience demonstrations with control or comparison groups. This report's new quantitative work on Service Mix and Public-Private demonstration outcomes also offers genuine evidence on post-program effects of youth job creation projects.

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* The post-program employment effects of YIEPP are not yet available.

6.1 Evaluation Results from Supported Work, VICI, and HUD-YCCIP

Maynard, in evaluating the impact of Supported Work on young dropouts, examined the program's potential effects on work, earnings, criminal behavior, drug use and income support payments. The primary finding is that post-program employment was little or no higher among dropouts in the treatment group than among dropouts in the control group. The treatment group's large advantage in employment and earnings during program operations declines to insignificance in the period a year or more after initial entry. The data in Table 4-10 display the in-program and post-program differences in hours worked per month. The treatment group's hours worked were significantly higher than those of controls over the first 12 months following enrollment. But, their advantage occurred during the time in which Supported Work jobs supplied over half of the hours worked by treatment group youth. By 13-15 months after enrollment, the hours employed advantage of treatment group youth disappear in spite of fact that almost a third of treatment group hours were still in Supported Work jobs.

The patterns of outcomes on employment rate and earnings were similar to the results on hours worked. Youth provided Supported Work treatments did show higher employment and earnings while a high percentage were still in program jobs. But, the program did not induce lasting gains in moving

Table 4-10

Hours Employed Per Month Among Supported Work Treatment and Control Group Youth, by Months After Enrollment

Months After Enrollment	Treatment Group Mean	Control Group Mean	Treatment-Control Difference	Treatment Group Hours Not in Program
1-3	143.3	31.2	112.1	12.2
4-6	120.1	43.9	76.2	23.9
7-9	97.1	44.8	52.3	26.9
10-12	79.4	50.2	29.2	33.2
13-15	67.2	62.2	5.0	45.8
16-18	60.4	61.3	-0.9	51.6
19-21	64.4	63.6	0.8	62.0
22-24	69.6	70.0	-0.4	67.6
25-27	69.1	70.4	-1.3	68.5
28-30	87.2	83.0	4.2	87.2
31-33	92.8	82.2	10.6	92.8
34-36	93.3	75.8	7.5	83.3

Source: Maynard, Table III.4, p.68

disadvantaged youth into steady jobs.

To assure that the Supported Work did not induce positive labor market impacts required going beyond these basic results. If one reason treatment group youth showed no advantage in employment, it might have been due to positive program-induced effects on school enrollment. Another reason the basic results might be misleading is that they do not distinguish effects on treatment group youth who spent time in the program from treatment group who dropped out without giving themselves the opportunity to benefit from the program.

Neither of these effects turned out to offset the basic findings of no positive post-program effects. Treatment-control differences in participation in post-program education and training were essentially zero. Assessing the role of time in the program was not straightforward. Given the possibility that youth who stayed longest in Supported Work would be more employable than the average youth in the treatment group because of nonmeasured characteristics such as motivation and reliability, a ordinary least squares regression testing the effect of duration on post-program employment would yield potentially biased results. Randall Brown dealt with this problem by predicting duration on the basis of measured characteristics and then by testing the role of "predicted duration" on labor market success. The results based on the unbiased technique showed no effect from longer duration. Even if one believed that Brown's approach tended to understate effects of duration, the OLS outcomes were only moderately more positive. For the period 19-27 months after enrollment, the OLS results agreed with the finding of no duration effects. The OLS method did yield positive duration effects at 16-18 months after enrollment. However, the overall differences were small, especially considering the fact that 15 per cent of hours worked by treatment group youth were in Supported Work jobs (even more among long duration participants) during the period 16-18 months after enrollment.

In a rare look at social effects of job creation programs, Maynard also studied whether Supported Work lowered arrest rates, incarceration rates, and use of illegal drugs. Although she reported no indication of any program effects on drug use, some of Maynard's results suggest that Supported Work caused reductions in the percentage of youth arrested and jailed. For the sample that completed interviews at enrollment and 9, 18, and 27 months after enrollment, fewer treatment than control group youth were arrested (30.5 vs. 39.3) or incarcerated (17.8 vs. 28.0).

It is not entirely clear why Supported Work failed to enhance job opportunities of young dropouts. The program did yield significant benefits for long-term AFDC recipients. But, no post-program employment or earnings gains emerged for participants from the offender, drug addict, or dropout youth pools. Before drawing conclusions from the Supported Work evidence about post-program effects of job creation for dropouts, one should recall that Supported Work had some distinguishing characteristics, including:

-----the dropout pool was made up almost entirely of young men who were black (73 per cent) or Hispanic (19 per cent);

-----dropouts worked and learned alongside other disadvantaged groups participating in Supported Work; that is, the program neither operated exclusively for dropouts or mixed dropouts with normal workers; and

-----the pool of participants entered with more serious employment barriers than average, even for high school dropouts; over half had been arrested, 38 per cent convicted, 30 per cent incarcerated, and one-quarter expelled from school or left because of jail or other trouble with police.

Although we cannot determine from the evidence exactly why Supported Work did not lead to post-program gains, the differences between this model and other job creation programs for out-of-school youth are too large to imply that the job creation programs in general fail to raise employment opportunities.

In fact, according to a serious evaluation, the VICI program did yield post-program job related benefits for participants. Before examining the VICI results, we must examine the potential limitations of the findings. Unlike the Supported Work demonstration, VICI did not use random assignment to generate a control group. The evaluators report that objections from DOL and the desire for rapid implementation with adequate participant levels prevented random assignment and led to the drawing of comparison groups from waiting lists. The objection that those who apply early enough to become participants may have higher motivation than later applicants who become controls is only partly valid. The reason is that after the initial intake of youth (all of whom became participants), the remaining division between treatment and control youth was determined largely by lottery.

A more serious problem that confronted evaluators was the low response rate, especially among youth in the control group. Of 342 initially selected for the control group, only 131, or 38 per cent, formed the control part of the follow-up analysis sample. Moreover, half of controls were not interviewed even once. The analysis sample for treatment participants was 470 out of a possible 805, or 58 per cent.

In spite of the limitations relating to assignment and attrition, the evaluators did compare post-program impacts of VICI relative to controls and of VICI relative to HUD-YCCIP and to regular YCCIP programs. The final report presents tables comparing mean outcomes for various groups as well as predicted impacts based on multivariate analyses. A summary of reported means appears in Table 4-11.

The mean differences alone reveal that VICI participants had significantly higher employment and earnings than VICI controls and participants in selected YCCIP sites, but not than participants in the HUD-YCCIP demonstrations. Especially striking was the much higher success rate of VICI participants than all other groups in finding the kinds of construction-related jobs or apprenticeships that were the primary goal of the program. In general, the differences between VICI participants and controls displayed in Table 4-9 remain when controlling for factors other than program participation, including age, sex, ethnicity, education, age, family structure, location, and timing.

On the basis of the multivariate results, the evaluators conclude that the VICI program produced average differences in quarterly earnings of $322. Using this result for purposes of cost-benefit analysis, the evaluators project first year earnings differences of 4 times $322 (or about $1300), but take account of possible fade-out effects of the differences over time.

Table 4-11

Selected Labor Market Outcomes for Participants in VICI, HUD-YCCIP, and YCCIP and for the VICI Control Group

Full Sample	VICI Participants	VICI Controls	HUD-YCCIP Participants	Conventional YCCIP Participants
Employed During Follow-Up Quarter (percent)	42	17	46	30
Employed or In School During Follow-up Quarter (percent)	48	25	67	40
Percent of Last Quarter Worked	26	11	33	22
Mean Earnings In Last Quarter	$571	$190	$532	$312
Sample of Workers				
Earnings Per Week	176	137	138	120
Percent In:				
Construction Job	34	12	16	14
Full-Time Job	84	79	62	55
Union Apprentice	14	0	2	0
Percent Who:				
Said Program Helped in Current Job	63	--	61	65
Use Program Skills on Job	38	--	41	37

Source: CPPV, Ventures in Community Improvement: Final Report of the Demonstration, March 1982, pp. 60-61.

What looks highly questionable about these results is the extraordinarily low employment rates of the VICI controls. The fact that only 17 per cent of control respondents had any employment over an entire quarter may be an accurate reflection of employment outcomes in the absence of the program or may be indicative of an especially unusual sample, time period, or both. Even the highly disadvantaged sample of Supported Work controls showed employment levels of nearly 50 per cent during typical months in the post-program period. It is hard to believe that such low employment and high rates outside school or work represent a good guide to the medium term future of program-eligible youth unable to participate in VICI.

On the other hand, the results on placement in construction-related jobs or union apprenticeships are persuasive evidence that the VICI program did create some new opportunities that would not have occurred without the program. About 1 of 7 VICI participants (for whom there are data) moved to construction-related jobs after the program ended. This was more than double the comparable shares of youth in the control group or in other demonstrations. It is likely that VICI's success in placing participants in construction jobs accounts for most of the weekly earnings advantage that employed VICI youth showed over employed youth in the other groups. Traditionally, minority youth have faced difficult barriers, including the normal job rationing as well as racial discrimination in becoming hired for union construction jobs. Given the fact that most VICI participants were black (80 per cent) or hispanic (15 per cent), VICI's ability to place 1 of 7 participants in construction-related jobs is a genuine indicator of success.

Although the evaluators were unable to link the program's efforts to elicit the cooperation of unions with outcomes for specific youth, it does appear that the attempt to involve construction unions aided the program in placing youth. As noted in the CPPV report, unions had an concrete incentives to participate because of the supervisor jobs provided through VICI and because VICI offerred a convenient way for unions to satisfy equal opportunity requirements. By linking up with VICI, some unions were able to screen minority youth going into union apprenticeships.

The CPPV report also notes that VICI was one of few Federal youth employment programs that involved unions. Thus, while evidence concerning the overall costs and benefits of VICI is not entirely persuasive, the VICI experience does teach us the potential importance, at least in construction-related initiatives, of close linkages between operators and unions.

The job creation programs for out-of-school youth other than VICI and Supported Work provide less reliable estimates of program-induced gains in employment and earnings. The YIEPP report on post-program effects is not yet complete. The other demonstrations either did not include control or comparison groups, had small numbers of participants, did not link data on participants with information on project activities, or had high attrition rates.

Given these limitations, we decided to make use of existing data on outcomes of participants in the HUD-YCCIP, Service Mix, and Public versus Private demonstrations. In spite of the absence of control groups, one can tease out some results on post-program effects by considering whether longer program duration was associated with higher employment and earnings. As noted above, drawing inferences about this relationship involves complications because unmeasured characteristics, such as high motivation, may both lengthen stays in the program and raise post-program employment. This problem is particularly serious in the case of HUD-YCCIP since we were unable to use two stage econometric procedures to limit potential bias from unmeasured variables. The data available on Service Mix and Public-Private demonstrations allowed us the opportunity to control for variables not usually measured and to conduct two stage procedures similar to those performed on Supported Work data.

The HUD-YCCIP data show only a slight advantage for those with longer than for those with shorter time spent in the program. The median amount of time spent in HUD-YCCIP was 7.3 months, but the standard deviation was a high 5.6 months. The evaluators of HUD-YCCIP present the share who positively terminated (obtaining a job or going to school or training) by duration. They report 43 per cent positive for stays of less than 6 months, 46 per cent positive for stays between 6 and 12 months, and 49 per cent positive for stays of more than 12 months. One unfortunate feature of these data is that it compares short and longer stayers at different points in time. The termination rate tells us only what youth were doing when they left the program. Since short stayers left earlier than long stayers, the measure of school and work status would vary so as to assess short stayers at an earlier time when youth are younger.

6.2 New Analysis of Outcomes on Service Mix and Public-Private Projects

Our analysis of the Service Mix and Public-Private demonstration permits a clearer assessment of the link between duration and outcome. For these demonstrations, data are available on motivation kinds of variables not typically included in evaluations of employment programs. Specifically, there are variables measuring participant attitudes, reading ability (in the public-private demonstration), ratings by counselors, and reservation wages. In addition to estimating directly the link between duration and outcome holding these variables constant, we used a two stage procedure that estimated employment and schooling outcomes as a function of **predicted** duration, not actual duration. As noted above, this method avoids a situation in which the duration variable picks up the role of unmeasured characteristics that cause duration and outcome.

The two stage procedure involved: (1) estimating by ordinary least squares the determinants of time in the program; and (2) estimating by probit analysis the determinants of youth school and work activities after leaving the demonstration program. We used predicted duration, derived from (1), as an independent variable in (2) to yield an unbiased measure of whether longer program duration contributed to post-program success.

The duration regressions displayed in Tables 4-6 and 4-7 explain a high share of the individual variation in hours in the public vs. private and the service mix demonstration programs. The type of treatment often exerted a significant impact on program duration. In the public-private demonstration, holding constant for site and individual characteristics, the private job lowered duration by 1 week among young women, but not among young men.

Treatment differences played a much larger role in the service mix demonstration. Classroom activities, either by themselves or in combination with public jobs, were associated with sharply lower program hours relative to the pure job creation service. Among young men, the independent effect of being in a service other than work only was to cut program hours by more than half, or as much as 8 weeks on a full-time basis. This pattern carried over to young women participants,although the size of the effects were smaller, especially when we take account of the higher average hours of participation among women (679 to 489 hours for young men). Moreover, the hours difference between classroom only and work only was not statistically significant.

As might be expected, high ratings from counselors went together with longer duration. Counselors may have scaled down their ratings on the basis of the participant's duration, thus reversing the direction of causation. Our estimates do control for the nonexistence of counselor ratings by using an existence variable and an interaction term representing the existence of the rating and the score. This allows us to measure the separate effect of the rating while not having to throw out observations for whom ratings forms did not exist. Given our approach and the consistently significant and large effects of ratings on duration, it appears that counselors are able to make appropriate distinctions among low income youth.

Educational ability, as measured by STEP tests and completion of high school, showed surprisingly little effect on duration. High reservation wages tended to lower program duration among young men but not among young women participants. Site differences led to sharp differences in program duration, especially for young women.

While the factors determining hours are interesting in themselves, the primary interest was the use of hours regression to generate predicted durations on each observation, where predicted duration depends on observable characteristics of the youth, site, and treatment model. The next step was to entering the predicted duration variable into equations aimed at quantifying the determinants of work and school outcome. We looked at three measures of post-program peformanc#:

1) whether the youth was engaged in full-time school or work at the time of the 3 month follow-up;

2) whether the youth had worked or not (full- or part-time) between leaving the program and 3 months after leaving the program; and

3) whether youth not attending school was working full-time at the time of the 3 month survey.

Because of enormous attrition at the 8 month follow-up, we relied primarily on 3 month outcome data. (See Tables 4-12 and 4-13.) Unfortunately, high attrition rates also plagued efforts to analyze 3 month outcomes. Although the extent of attrition varied widely across sites, the overall rates were 52 per cent in the service mix and 57 per cent in the public-private demonstration. The appropriate econometric procedure is to utilize sample selection techniques in an effort to control for potential bias from unobserved characteristics of participants that are correlated with attrition, an explanatory variable, and outcomes. Given the high cost and extensive preparation involved in using these techniques, we decided to employ them only at a later stage in the reanalysis of ETS data.

Another problem with the ETS data was the gaps in the questionnaire that limited the analysis of part-time employment outcomes. One cannot determine from the questionnaire whether a youth was employed part-time at the time of the follow-up. In spite of these limitations, we estimated the determinants of 3 measures of youth outcomes for each demonstration by sex. Since the outcome variables were dichotomous, we used probit analysis. To aid the interpretation of results, we report the effect on probability of a particular outcome of a one standard deviation increase (from the mean) in the explanatory variables, assuming all other variables remain at their mean values. This provides a sensible basis for comparing the impacts of variables with differing amounts of variability.

Several patterns emerge from the results on the determinants of post-program employment and/or schooling. Time spent in the program exerted positive, sometimes significant effects in the service mix demonstration, but not in the public-private demonstration. In fact, for females in the public-private demonstration, duration exerted a negative, statistically significant impact on all three outcomes. Duration did play a positive role for those in private jobs. Longer durations in private jobs improved job chances of youth after the program, although no overall advantage accrued to youth in private instead of public jobs.

Duration effects coming about from the service mix demonstration are complex to understand. The basic effects of added hours are all positive, and generally significant for young men. However, the interactions of hours with classroom treatments or combined work and classroom activity sometimes indicated a negative role for duration. Still, the service mix

Table 4-12

Determinants of Employment and Schooling Among Youth Participants 3 Months After Leaving the Public vs. Private Jobs Demonstration

	Males			Females		
Variable	Full-Time Activity	Any Work After Program	FT Job for Those Not in School	Full-Time Activity	Any Work After Program	FT Job for Those Not in School
Probability at Means of All Variables	.412	.699	.303	.402	.575	.296
Change in Probability with 1 Standard Deviation Rise in:						
Duration	-.114	.020	.046	-.259 (-1.93)	-.258 (-1.56)	-.228 (-1.88)
Duration-Private Job	.068	.117 (1.88)	.111	.044	.086	.016
Duration-STEP	-.035	-.002	.038	.113	.155	.087
STEP	.103	.054	.042	.013	-.082	.005
Private Job	-.005 (1.67)	-.107 (-1.51)	-.014	-.089	-.049	-.035
Age	.060	.045	.098 (2.38)	-.042	.000	-.004
HS Grad	.003	.040	-.005	.080 (2.88)	.041 (1.51)	.084 (2.60)
HS Other	.048	.003	.005	.062 (2.32)	.057 (1.87)	.077 (2.63)
Any PA	-.013	-.004	-.020	-.044 (-1.60)	-.036	-.038
White	.095 (1.51)	.118 (2.44)	.150 (2.00)	.085	.158 (1.94)	.098
Black	.020	.009	-.006	.016	-.015	-.001

Table 4-12 Continued

	Males			Females		
Variable	Full-Time Activity	Any Work After Program	FT Job for Those Not in School	Full-Time Activity	Any Work After Program	FT Job for Those Not in School
Previous CETA	-.040	-.009	-.066 (-1.54)	.025	-.003	.047 (1.67)
Family Head	-.068 (-1.99)	-.038	-.036			
Family Member	-.065 (-1.77)	-.006	-.048			
Offender	-.037	-.056	-.070 (-2.07)			
Own Child				.029	.006	.001
Reservation Wage Exists	.142	.006	-.050	.200 (2.18)	.104	.239 (2.26)
Reservation Wage Times Exists Dummy	-.132 (-1.97)	-.073	-.044	-.091	-.117	-.045
Counselor Rating Exists	-.145	-.061	-.174 (-1.78)	-.138 (-1.64)	-.332 (-3.70)	-.126
Counselor Rating Times Exists Dummy	.283 (1.51)	.050	.221	.259 (2.28)	.311 (3.43)	.295 (2.17)
Observations	359	361	278	470	470	356

Note: The t-values are in parentheses for those variables with a t value of 1.5 or more.

Table 4-13

Determinants of Employment and School Outcomes of Service Mix Participants 3 Months After Leaving Program

	Males			Females		
Variable	Full-Time Activity	Any Work After Program	FT Job for Those Not in School	Full-Time Activity	Any Work After Program	FT Job for Those Not in School
Probability at Means	.410	.726	.229	.464	.667	.413
Change in Prob with 1 Standard Deviation Rise in:						
Program Hours	.281 (1.66)	.215 (2.06)	.378 (1.88)	.136	.039	.143
Hours Times Work/Classroom	-.198 (-1.66)	-.064	-.156 (-1.53)	.208 (1.83)	-.119	.274 (2.00)
Hours Times Classroom Only	.133	-.451 (-2.10)	.266	.001	-.240	-.021
Work/Classroom	.270 (1.52)	.156	.368 (1.64)	-.177	.129	-.210 (-1.55)
Classroom Only	-.176	.252 (2.07)	-.168	-.003	.229 (1.77)	.036
Age	.009	.097 (2.06)	-.025	.029	.011	.016
HS Grad	.014	-.080	-.027	-.009	-.002	-.006
HS Other	-.026	.003	-.009	-.034	.026	-.021
Any PA	.124 (2.13)	.044	.035	-.065 (-1.63)	-.073 (-1.87)	-.031
White	-.032	-.057	-.035	.076	-.018	.047

Table 4-13 Continued

	Males			Females		
Variable	Full-Time Activity	Any Work After Program	FT Job for Those Not in School	Full-Time Activity	Any Work After Program	FT Job for Those Not in School
Black	-.051	-.036	-.054	-.008	-.044	-.035
Previous CETA	.003	-.059	.042	-.001	-.034	.001
Family Head	.010	.078	-.002			
Family Member	-.139 (-1.73)	-.022	-.077			
Offender	-.024	-.081 (-1.58)	-.160			
Own Child				.028	-.015	.027
Reservation Wage Exists	-.264 (-2.37)	-.295 (-2.21)	-.205 (-2.55)	-.089	.077	-.097
Reservation Wage Times Exists Dummy	.291 (2.69)	.070	.378 (2.65)	.122 (1.99)	.058	.108 (1.59)
Counselor Rating Exists	-.166	-.039	-.142	-.312 (-3.56)	-.426 (-4.33)	-.261 (-2.89)
Counselor Rating Times Exists Dummy	.303	.048	.329	.269 (2.14)	.255 (2.92)	.256 (1.88)
Observations	122	122	96	248	242	203

Note: The t values are in parentheses for those variables whose t value is at least 1.50.

demonstration overall apparently helped youth participants more the longer they remained in the program.

Although isolating the effects of the type of treatment is not straightforward from Tables 4-12 and 4-13, probit models without duration-treatment interactions did yield explicit estimates. However, no consistent patterns emerged. Participation in a private instead of a public job had a significant positive impact on young men, but either no effect or a significant negative impact on young women. In the service mix demonstration, none of the three service treatments produced more employment than any of the others.

Other variables sometimes had significant effects on outcomes, but they did not apply to both groups or sexes. While public assistance reduced employment probabilities for young women, especially those in the service mix program, welfare had no significant negative effects on young men in either program. Oddly, high reservation wages raised employment of participants in service mix, but had the expected negative effect on public-private participants.

One striking and consistent result was the predictive power of counselor ratings. Apparently, expectations of employers tended to agree with the ratings of counselors regarding which youth were most employable. Only if counselors played a large role in placement could their ratings have played a causal role in raising participant's employment. In any event, high counselor ratings (1 standard deviation above the mean) generally raised the probability of a youth becoming employed by about 25-30 percentage points.

7.0 Conclusions About Post-Program Effects of Work Experience Programs

A mixed pattern of effects emerges from a review of the four major work experience demonstrations:

-----the Supported Work Demonstration, which provided the most rigorous test of the post-program impacts of work experience on out-of-school youth, came out negative, with participating youth doing no better after the project than a control group of youth.

Other results were ambiguous. According to one evaluation:

-----the VICI project did improve employability of participants, partly through helping some find union apprenticeship positions.

Reevaluations of post-program effects from the Service Mix and Public-Private demonstrations indicated how program duration related to gains in youth job-finding. The results indicated that:

-----in the Public-Private demonstration, neither public nor private work experience raised post-program employment, but that

-----in the Service Mix demonstration, both work experience and the combination of classroom training and work experience did generate post-program gains in employment among low income youth.

These mixed results suggest that the nature of program operations may account for as much variation in outcomes as differences in the overall design. In demonstrations aimed at explicit testing of distinct alternative treatments, only one treatment type (the private job) for one group (males) showed a significant advantage over the alternative treatment. Other differences did appear in the pattern of effects by duration. Added program hours exerted above average effects on outcomes among those in private jobs and those in the service mix work only treatment. Although the mix of outcomes makes it hazardous to generalize, it does appear that:

-----pure work experience programs often yield minimal or zero post-program benefits;

-----programs that emphasize linkages with post-program job opportunities (as in VICI's union connection and the private job's connection with firms) show more positive outcomes than other job creation programs;

-----counselor ratings generally match employer ratings, as indicated by the ability of counselor rating to predict outcomes; and

-----the impact of similar program models can vary substantially across sites. Sites which combine work opportunities and training produce the largest impacts.

-----the reading levels of participants also were shown to be important determinants of outcomes.

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CHAPTER 5 - THE SCHOOL-WORK CONNECTION: UPGRADING IN-SCHOOL YOUTH THROUGH WORK EXPERIENCE

The previous chapter describes how work experience programs affect the labor market opportunities of out-of-school youth. The present chapter continues the analysis by presenting major findings from YEDPA research on in-school programs offering work experience.

The primary formula-funded youth title providing in-school youth with work experience was CETA's YETP (Youth Employment and Training Program). In fiscal years 1979-1981, the proportion of work experience enrollees in YETP ranged from 19 to 21 percent. Although work experience under YETP was limited by federal regulation to no more than 1000 hours in any one year or 2000 hours in five years, expenditures on work experience for young people accounted for a sizeable 25 percent of all YETP expenditures. Since there was no direct effort to evaluate the work experience components of CETA's formula-funded youth titles, the special demonstrations funded under YEDPA are the major source of information on the strategy of assisting in-school youth through combinations of school and work. Before turning to the demonstrations, however, we briefly review the recent history of work experience for in-school youth to observe what led to the unique opportunities tested under YEDPA.

1.0 Background on In-School Work Experience

The Neighborhood Youth Corps from the 1964-1973 period of the Economic Opportunity Act tried many interventions for young people. Work experience was a major component of the service mix during NYC but was often criticized as "welfare" or as "aging vat". The work components for students were often administered without quality control measures or standards for the performance of enrollees and supervisors. The programs were rarely evaluated systematically and so improvements over time came slowly or not at all. The NYC programs mixed part-time work experience and schooling, but the formal linkages between the two were rarely formalized in the program design and implementation. Finally, the programs often failed to keep youth in school because the income derived from subsidized work experience wasn't a significant antidote to the more fundamental problem of not enjoying and doing well in school.

Taggart's (1981) review of these and similar efforts finds no evidence that they increased the employability of participants (young and old together) who had never worked or needed a stepping stone to enter the primary labor-market.* Using the Continuous Longitudinal Manpower Survey (CLMS) for the 1975-1976 CETA entrants, Taggart concludes that the payoffs in increased post-program earnings from "no frills subsidized work experience" overall was negligible, although it was greater for younger (17-18) youth than those over 19 years and for enrollees who received combinations of work and training.** Such findings led CETA policymakers to consider a program directly linking work experience to basic skills remediation under YEDPA called the Youth Incentive Entitlement Pilot Projects (YIEPP). This and other enrichment models (such as the Experience-Based Career Education movement spearheaded by the educational bureaucracy in the National Institute of Education) sought to provide students with on-the-job work experience in a broader program of pre- employment skills, skill training, or basic skills remediation linked to the work experience.

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* Robert Taggart, A Fisherman's Guide: An Assessment of Training and Rehabilitation Strategies, Kalamazoo, Michigan, Upjohn Institute, November, 1981.

**This conclusion is echoed in a report by the Congressional Budget Office, Improving Youth Employment Prospects and Training Options, Washington, DC, 1982.

The major CETA in-school youth program itself--the Youth Employment and Training Act (YETP) requires prime sponsors to link local educational agencies (schools) to CETA through a financial set-aside of 22 percent of YETP funds. This was seen as an attempt to enrich CETA by linking traditional work experience to education. The next section reviews some of the major lessons from the formula-funded YETP program with its 22 percent set-aside for school-CETA collaboration.

2.0 In-School Work Experience under CETA's Youth Employment and Training Program (YETP) - Collaboration Between Schools and CETA

First, consider the collaborative process stimulated by YEDPA to encourage schools and training establishments to work together on in-school work experience programs. The National Council on Employment Policy (NCEP) was commissioned by the Department of Labor to evaluate this process. The final report of the study Youth and the Local Employment Agenda, described and analyzed local experiences implementing YETP from late fall, 1977 to spring, 1979.

The NCEP study indicates that the experiences of schools and sponsors in fiscal 1978 showed a mixed record of collaboration. In virtually all prime sponsorships, there was generally positive progress towards more joint planning and coordinated programming, especially where no pre-YEDPA relationship existed. Although it appeared that the 22 percent set-aside agreement between the prime sponsor and the LEA was serving as an effective incentive for collaboration (most primes actually allocated more money), NCEP reported that more than financial incentives were needed to make joint activities fruitful. Actually the 22 percent set-aside was generally a very small amount of money in a school system's total budget. The NCEP studies found that set aside probably accounted for special attention being devoted to quality work sites. However, other features of the program, such as the emphasis on public worksites often made it difficult to deliver, in a practical sense quality work experience. The distinction between plans for collaboration and actual practices was evident in another area, the granting of academic credit.

YETP encouraged the granting of academic credit for competencies gained through work experience. This had been approved by some school districts, but there was considerable resistance to the practice overall. The NCEP study and other research argued that the issuance of academic credit depended on three features: 1) the development of common criteria and standards for awarding work experience credit; 2) the award of credit mirrored the strength of the specific relationship between schools and CETA; and 3) the award of academic credit was an administrative function reflecting the ability of a particular school system to issue regulations guiding its coverage and use.

In summary, the record showed that YEDPA did encourage new relationships between CETA and school authorities in 1978-1979, but much remained to be done to make these CETA/LEA relationships meaningful. YETP did not, for example, encourage many schools to establish new basic education programs to combat a growing literacy problem among low-income youth.* Consider next the largest of the YEDPA demonstrations, the Youth Incentive Entitlements Pilot Project.

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Youthwork, Inc. (1978) Forging New Relationships: The CETA/School Nexus (Interim Report 1), Washington, DC:

3.0 Raising Employment and Educational Levels: The Effect of Entitlement on Students

The Youth Incentive Entitlement Pilot Projects (YIEPP) represents by far the largest of YEDPA's demonstrations aimed at raising employment and educational levels. Like the Neighborhood Youth Corps programs of the 1960's and CETA youth programs of the 1970's, YIEPP provided part-time and summer jobs to poor youth in high schools. However, YIEPP embodied three important distinctive features; the *guarantee* of a job, the *requirement of school attendance* for maintaining the job, and the large *research and monitoring effort* accompanying the program. The school attendance requirement meant that YIEPP was an enriched form of work experience, linking employment to education in a very real way. The emphasis on research and the fact that YIEPP operated only in 18 selected sites throughout the country permitted YIEPP to generate new findings about a wide variety of issues.

YIEPP operated as a demonstration project between March 1978 and August 1980, enrolling about 72,000 youths at a total cost (including research and administration) of about $218 million.

County Employment Reporter (1979) "CETA/LEA collaboration," (October 7-12). Washington, DC: National Association of Counties.

DOL (1978) *Impacts of YEDPA on Education/CETA Relationships; Five Case Studies*, Special Report Number 1, Washington, DC: Office of Youth Programs:

___(1977a) *Considerations and Elements for CETA/LEA Agreements*. Washington, DC: Office of Youth Programs.

___(1977b) *The Awarding of Academic Credit under YEDPA of 1977*. Washington, DC: Office of Youth Programs.

National Association of State Boards of Education (1979) *CETA-Education Collaboration in Three States*. Washington, DC.

The research on YIEPP focused on three questions:

1) Did YIEPP stimulate low income youth to remain in or to return to school?

2) To what extent did YIEPP increase employment of eligible youth?

3) Were CETA prime sponsors able to implement a program that guaranteed jobs to all eligible youth?

One key question was: to what extent does the offer of part-time and summer jobs raise school attendance of poor 16-19 year olds? To find out the answer, the researchers compared the fall 1978 school enrollment patterns of poor youth in sites offering YIEPP with the patterns of eligible youth in sites not offering YIEPP. The findings indicated that YIEPP did, in fact, increase school enrollment of poor youth. The effects of YIEPP were most striking for youth who were not in school in the fall of 1977. Among these high school dropouts, YIEPP increased the share returning to school from 22 to 36 percent. YIEPP also raised school retention rates from 76 to 80 percent.

To put these numbers in perspective, consider a sample of 100 poor youth, aged 16-19, who were attending high school in the fall, 1977. By fall 1978, 79 of these youth would have remained in school in the absence of YIEPP. The impact of YIEPP was to raise the number staying in school from 79 to 83.

It is interesting to examine how many YIEPP jobs were required to generate this 4 point rise in school enrollemnt. About 40-45 percent of the in-school eligibles participated in YIEPP either during spring 1978, summer 1978, or fall 1978. Although precise estimates are not available on the duration of participation over this period, data from March 1978-August 1979 period. suggest that in-school YIEPP participants were in YIEPP jobs about 55 percent of their potential time. Thus, it took about 20-24 full slots for in-school youth to increase school retention by 4 students. This implies a ratio of 5 to 6 jobs to keep each additional student in school for an extra year.

To assess the YIEPP enrollment effects on the second and subsequent years, it is appropriate to examine the experience of those age 15 or 16 at the time program operations began. Using this sample, the evaluators detected a 3 point enrollment.

YIEPP clearly demonstrates that a school-conditioned youth employment program can raise the school enrollment of poor in-school youth. At this point, the long-term effects of YIEPP on learning and on high school graduation are not known.*

The most reliable indicator of the employment effects of in-school work experience programs also comes from the YIEPP demonstration. The results, however, are complex to interpret because of the difficulty of separating the effects of added work experience from the effects of induced increases in school attainment. As noted in section 1.0, the evidence from pre-YEDPA in-school work experience programs showed little positive impact on post-program employment and earnings. However, YIEPP provided work experience under two special conditions. The first was that youth accepting YIEPP jobs had to meet minimal standards for school attendance and grades. The second was that all eligible youth had assured access to a part-time job during the school year and a full-time job during the summer until they completed high school. Thus, the long expected job durations and the linkages to school attendance might cause YIEPP to exert more positive post-program effects than did most earlier in-school work experience programs.

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* Early Impacts From the Youth Entitlement Demonstration: Participation, Work and Schooling, by Farkas, Smith, Stromsdorfer, et. al., for the Manpower Demonstration Research Corporation (MDRC) 1980, New York. See also: Department of Labor, Knowledge Development Report 11.3, Preliminary Findings on the Quality of Work and Impacts on School Attendance Under Entitlement.

Although its precise impact depends on the time period and the area, YIEPP appears to raise employment substantially during the time of program participation. In spring 1979, the employment rate of eligibles in YIEPP sites was 53 percent, or 20 points above the 33 percent rate of similar youth in non-YIEPP areas. Since about 23 percent of eligibles held YIEPP jobs in spring 1979, it appears that nearly all YIEPP jobs translated into increased employment. By the end of the demonstration, 68 percent more youth worked in the demonstration areas than in the non-participating comparison areas with similar youth populations. Most impressive was YIEPP's impact on the employment of eligible black youth. The school-year employment rate of this group went up 135 percent over the rate observed for black youth in comparison sites. Among students of all backgrounds the share of youth with jobs in a representative quarter went from about 32 percent in the absence of YIEPP to about 45 percent in the presence of YIEPP. This is a large, 40 percent increase in employment for students. Finally, as noted, these increased employment levels did stimulate many low income youth to remain in or to return to school.*

Administration of a Quality School-Conditioned Work Experience Program

Studies of the implementation of YIEPP indicated that, after some start-up problems, virtually all sites were able to make eligibles aware of the program, to determine eligibility of applicants, to develop job sites, to place eligible youth in jobs and to pay all youth participants through a single payroll system. As an indication of the ability to place youth, most sites were able to move over 50 percent of applicants into jobs within 3 weeks.**

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* George Farkas, D. Alton Smith, Christine Bottom and Ernst W. Stromsdorfer, The Youth Entitlement Demonstration: Program Effects During the First 18 Months (Cambridge: Abt Associates, 1980).

With its job guarantee, YIEPP also allowed a direct test of whether poor youth are willing to work in a minimum-wage job. The results show that, for the most part, chronic unemployment among poor and minority youths was involuntary in the demonstration areas, for no eligible youth who wanted a job was denied one. Participation rates were high: over 80 percent of the teenagers who knew of the program applied for admission; by the demonstration's end, 56 percent of all eligible youths had worked in a program job.

The studies of the implementation of the YIEPP program also provide fresh evidence on the debate over the "makework" aspects of in-school work experience. MDRC developed a methodology to assess "quality worksites". Just how youngsters acquire work skills and habits is difficult to evaluate, and few agree on which job features most promote appropriate job behavior. In the MDRC worksite evaluation, field visits were conducted by 19 experienced assessors to a random sample of 520 worksites during a year-long period. Data collected covered structural characteristics, such as job content, supervisor-to-participant ratios, and job performance standards, as well as a number of work process characteristics, including the extent to which the young people were kept busy on their job. At the end of the study, the value and quality of the jobs were assessed from three perspectives: those of the youths, their work sponsors, and independent field assessors.

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* Reports on the implementation of YIEPP are: Manpower Demonstration Research Corporation, The Youth Entitlement Demonstration: A Summary Report on the Startup Period of the Youth Incentive Entitlement Pilot Projects; The Youth Entitlement Demonstration: An Interim Report on Program Implementation; The Youth Entitlement Demonstration: Second Interim Report on Program Implementation; Innovative Approaches--Entitlement Implementation: the First Year's Experience (New York: Manpower Demonstration Research Corporation; 1979, 1979, 1980, 1980.

The study found that:

- Most worksites provided enough work for participants. Youths and their employers reported that they were generally kept busy at over four-fifths of the worksites, while field assessors rated the youths busy in at least two-thirds of the jobs.
- The work performed by participants was generally valued by employers; on three related measures of output, four-fifths of the work sponsors found the work performed valuable, and three-fifths found the work valuable on two of the three measures.
- Contrary to expectations, no significant differences in quality were found between worksites in the public, non-profit and for-profit sectors.
- At nine out of ten of the worksites, youths were satisfied with their assignments.
- Over 86 percent of the worksites were judged adequate or better by field assessors; only 13 percent were rated less than adequate. Fourteen percent of all worksites were judged outstanding.

In short, the MDRC study showed that participating youths worked in real jobs, kept busy, made a contribution, and were themselves satisfied by the experience. While the new Job Training Partnership Act may reduce subsidized work experience opportunities in favor of other services, the YIEPP record suggests that well-managed worksites as a component of school-conditioned work experience are not only possible on a large scale, they can be a useful expenditure of public funds as well.

Finally, the YIEPP demonstrations were offered special supplementary grants to 14 of its 17 demonstration sites. This augmentation of existing funds was intended to allow new enriched services to be added to the school-conditioned work experience, including remedial education, world-of-work pre-employment services, counseling and like. The studies of enriching an already enriched form of work-experience (school-conditioned) showed mixed results. To quote from Edward Dement's "Results-Oriented Work Experience Programming" (Olympus Salt Lake City, Utah, 1983), these

> . . . enrichment activities did seem to promote better communications and working relations between programs and schools, but they fell short of producing institutional reforms or even minor adaptations on the part of schools. Such enrichment did in some cases exert modest positive influences on the behavior patterns of returning dropouts (youths enticed back into school or alternative education through YIEPP's job guarantee); their retention rate in the program increased and their negative termination rates decreased. On the other hand, however, increased funding for enrichment services had no measurable effects on the behaviors and retention rates of in-school enrollees.

MDRC's final report on YIEPP enrichment experiments, (March 1982), summarizes the findings in this way:

> Increased funding for expanded services does not necessarily guarantee improvements in program outcomes or quality. The most important variables for success--both for these Enrichments and for the basic employment programs themselves--are a clearly focused program design. Sound delivery and management structures, and quality personnel. The Enrichments that worked best had these key elements.

4.0 Traditional Cooperative and Work-Study Education in Secondary Schools*

One other significant YEDPA initiative covering in-school work experience involved a comparative study of cooperative education, vocational education, and academic education in Massachusetts. It is briefly reviewed below:

The Department of Labor commissioned researchers at Northeastern University, a leader in cooperative education, to conduct a comparative study of 427 male high school students enrolled at 18 secondary schools in the same metropolitan area of Massachusetts.* These students were enrolled in one of four school programs. The purpose of the study was to determine the extent to which students in cooperative vocational programs succeeded in making a smoother transition into the labor market than their counterparts in the other three programs. The four programs examined were:

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* Irwin Herrnstadt, Morris Horowitz, and Andrew Sum, The Transition from School to Work: The Contribution of Cooperative Education Programs at the Secondary Level (Northeaster University), August 1979.

1. Cooperative Vocational ("Co-Op"): During the last one or two years of high school, the student was placed in a job in his/her actual or expected trade. The student alternated on a weekly basis between work on the job and academic and trade-related instruction in school.
2. Regular Vocational: In this program, the student was placed half-time in the school shop for a specific trade and half-time in academic and trade-related classes in school.
3. Work-Study: Low income students were placed in unsubsidized jobs in the private sector for the purpose of obtaining work experience and earnings while in high school. This program also encouraged the work-study students to remain in school. No trade-related instruction or on-the-job training was provided.
4. General Academic: This program offered neither work experience nor training in a specific trade. School hours were spent in classes in basic academic skills. (College bound students were excluded from the sample.)

It was found that co-op students did not generally experience higher rates of labor force participation, lower rates of unemployment, work a greater number of weeks or earn higher wages than their counterparts. Indeed, the work-study students had a higher rate of labor force participation and worked a greater number of weeks than students in the other programs. However, more of the co-op students received some on-the-job training than their peers; more of them felt they had learned something valuable on the job; and most believed they had gained useful occupational skills.

The proportion of co-op graduates obtaining employment within one week of graduation (75.7 percent) did not differ significantly from the experiences of graduates of the other programs. Indeed, many of the jobs obtained (54 percent) were "carry-over" jobs that had been held during the school year. Although the mean hourly rate for co-op graduates was the lowest of the four groups, graduates were significantly more likely to work full-time in their first post-high school job (94 percent versus 75 percent of graduates from the other programs).

Although co-op students did not experience higher rates of labor force participation, or have more weeks of unemployment, or earn higher wages or encounter lower rates of unemployment, they were more likely to obtain a job related to their high school program and to be more satisfied with their jobs.

These results from traditional offerings by secondary schools do not of course focus exclusively on disadvantaged youth. Moreover, the study does not directly compare the untargeted vocational education and cooperative education approaches to CETA strategies, such as Entitlement. The Northeastern study results do, however, yield some interesting lessons for in-school work experience programs: the basic unenriched work-study approach led to more employment but less valuable employment. When, co-op (an enriched approach) was tried (with its matching of interests between employers and youth), more was learned on the job and the youth were more satisfied with their jobs.

In the next section, we briefly review some representative findings from YEDPA-funded research on the role of the private sector in work programs for in-school youth.

5.0 The Private Sector and Work Experience of In-School Youth

In the two YEDPA programs, YETP and YCCIP, the vast majority of unsubsidized jobs found--estimated at 80% to 90%--were in the public and nonprofit sectors. Youth in YCCIP and YETP were selected for work experience by virtue of the fact that they were experiencing labor market difficulties. If out-of-school, their work experience in YETP and YCCIP was frequently short in duration; the in-school youth participated in programs after school or during the summer. Many private sector employers are unlikely to be able to supply jobs matched to these characteristics. Policymakers therefore have turned to a variety of incentive approaches to stimulate private sector involvement in work experience programs.

The entitlement project (YIEPP) offered private sector employers a special incentive through a 100% wage subsidy. Though in the early years of YIEPP there was a trend toward more jobs in the private-for-profit sector (8% to 20% by the summer of 1979), even with the subsidy the majority of jobs in YIEPP remained in the public sector.

A comprehensive report issued by a team of researchers at the Manpower Demonstration Research Corporation (MDRC), The Participation of Private Businesses as Work Sponsors in the Youth Entitlement Demonstration,* reports on the experience of direct job creation in the private sector adopted in the YIEPP demonstration.

The MDRC researchers report that the vast majority of CETA prime sponsors in YIEPP welcomed the opportunity to subsidize jobs in the private sector, based on the belief that private firms would provide higher quality work experience than would public agencies. There was some concern, however, that the private sector would be reluctant to participate due to bureaucratic barriers and government red tape.

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* Joseph Ball, Carl Wolfhagen, David Gerould and Loren Solnick, The Participation of Private Businesses as Work Sponsors in the Youth Entitlement Demonstration (New York: Manpower Demonstration Research Corporation, 1981).

MDRC found that small retail and service establishments were both easier to recruit and more geographically accessible than manufacturing and larger firms. The latter often had a complex bureaucratic structure, or experienced difficulty in scheduling part-time work. An additional barrier to participation among larger companies was the requirement of union approval for hiring. Over three-fourths of the private worksite sponsors were businesses in the retail trade or service industries, while only one-tenth were in manufacturing. As noted, most participating businesses were small, with over two-thirds employing fewer than ten regular workers. Firms less than three years old that previously employed youth, and/or firms that expanded their work force in the previous year, were most likely to participate.

Subsidy Levels and Participation Rates

Under YIEPP regulations, prime sponsors were able to, but not required to, offer up to 100 percent wage subsidies. In an effort to determine the sensitivity of employers to variations in the wage subsidy rate, MDRC designed a wage variation experiment within YIEPP. Prospective private sector employers in Detroit were randomly assigned to a 75 percent or 100 percent subsidy rate, while firms in Baltimore qualified for either a 50 percent or 100 percent subsidy rate. Although there were some external factors affecting the participation of businesses (such as economic downturns in the experimental sites), MDRC found that raising the subsidy rate from 50 to 75 to 100 percent raised participation from 5 to 10 to 18 percent of firms contacted. The admittedly tentative results of the wage variation experiment seem to confirm the commonly held belief that employers are sensitive to price.*

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* See Appendix A to this Chapter for a brief review of another YEDPA study on wage subsidies, this one comparing employee youth subsidies to employer subsidies.

Firms that chose to participate in this experiment cited two main reasons: the attractiveness of the low wage cost and a desire to help disadvantaged youth. Other factors affecting the decision to participate are summarized in Table 5-1.

Firms that decided not to participate cited a lack of work to be performed or a need for higher level skilled workers. Other reasons for not participating are summarized in Table 5-2.

It is interesting to note that few employers cited government red tape or administrative problems as disincentives.

Attitudes of Private Sector Work Sponsors

A random sample of private sector YIEPP employers were interviewed by telephone about their reactions to both program administration and assigned youth. MDRC found that employers were generally satisfied with both aspects; the highlights of the findings are:

- Over half of the employers requested replacements for youth who left the program;
- Two-thirds of the employers requested youth with specific qualifications; over 80 percent of these employers reported that youths assigned to them had the requested qualifications;
- One-fifth of private employers hired youth on their own payrolls after sponsoring them at a subsidy;
- On an annual basis, only 17 percent of private firms involved with the program chose to cease participation.

There is a common perception that the private sector offers a higher quality work experience than the public, non-profit sector. However, MDRC found that the differences in YIEPP jobs between the two sectors were

TABLE 5-1

Percentage Distribution of Reasons for Participation in the Wage Subsidy Variation Experiment

Reasons Given for Participation	Percent of Sponsors Reporting Reason[a]	Percent of Sponsors Reporting Reason as Most Important[b]
Cheap labor; no wage cost	57.8	32.9
Chance to look over unskilled workers for possible later hire	19.3	8.7
Chance to do something for disadvantaged youth	67.1	48.4
Possibility of expanding output temporarily	15.5	5.6
Chance to have motivated youth willing to both study and work	2.5	1.2
Minimal paperwork	0.6	0.0
Chance to employ specific youth known to employer	1.2	1.2
(Other)	5.0	1.8
Total Number of Reasons Reported	274	—
Total Number Sponsors Interviewed	161	

[illegible]

Note: [a][illegible]

[b][illegible]

TABLE 5-3

Percentage Distribution of Private Sector Work Sponsors By Sponsors' Reports of Satisfaction with Entitlement You Assigned to Them

Sponsor Reports of Satisfaction	Percent of Spons
Perceived that Youth demanded more staff time and effort than expected:	
Yes	35
No	64
Did not know	1
Rating of general work habits:	
Above Average	29
Average	53
Below Average	18
Rating of attitude and willingness to work:	
Above Average	34
Average	50
Below Average	17
Perceived improvement over time in work or attitude:	
Yes	75
No	21
Did not know	3

Source: MDRC, op. cit., p. 36.

TABLE 5-2

Percentage Distribution of Reasons for Non-Participation in the Wage Subsidy Variation Experiment

Reasons Given for Non-Participation	Percent of Employers Reporting Reason[a]	Percent of Employers Reporting Reason as Most Important[b]
Not enough work; sufficient staff already, too small to need extra help	42.2	35.4
Nature of work inappropriate for teenagers, requirements too high	27.9	21.1
Not enough work; business slow or declining	17.0	12.9
Potential problems supervising youth	8.2	4.8
Concern about youth work attitudes/reliability	8.2	4.8
Difficult/reluctance to schedule part-time work	8.2	4.8
Dislikes government/subsidized labor programs	4.8	3.4
Had to lay off regular staff and reluctant to take on subsidized youth	3.4	0.7
Couldn't get approval from main office	2.7	2.0
Heard bad reports about program	2.7	0.0
Potential or actual union problems	2.0	1.4
Administrative/paperwork problems	2.0	2.0
Couldn't afford partial wage	1.4	0.7
Nature of program or requirements unclear	0.7	0.7
(Other)	3.4	3.4
(No reason given)	1.4	1.4

Source: MDRC, op. cit., p. 39.

Note: [a]Percents in this column do not sum to 100 due to multiple responses.

[b]Percents in this column do not sum to 100 due to rounding.

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relatively small. MDRC analysts observed no significant difference in the overall quality of worksites between sectors. In the private jobs, youth had access to more supervisors and youth placed a higher value on their experiences than was the case in the public sector. Conversely, private sector sponsors valued the youths' work less than did public or nonprofit sponsors.

One issue of importance in the YIEPP demonstration was the extent to which YIEPP workers displaced other workers. Under YEDPA, Congress mandated that subsidized work experience should be "meaningful," not "make-work." At the same time, subsidized workers were not to displace existing workers; net new jobs were to be created. In practice, these two mandates are often conflicting. If the job created is necessary and not make-work, it is likely that the employer already would have hired an unsubsidized worker to perform it. If the subsidized worker actually does produce useful outputs, firms are more likely to be able to get along with fewer unsubsidized workers. Only if jobs are of low priority is an employer likely to hire subsidized workers without displacing other workers.

MDRC sought to determine whether such relationships existed among YIEPP job sponsors. It found that there was a positive relationship between work quality rating and the degree of displacement. Compared with worksites judged inadequate, worksites assessed as "adequate" had 14 percent more displacement, those judged as "good" had 18 percent more, and those viewed as "outstanding" had 22 percent more displacement.

Private sector attitudes about the value of young workers, whether based on experience or perception can form a significant barrier to entry of low income youth into employment. Findings based on private sector participating in YIEPP and other youth employment and training programs provide some insight into the effects of participation on private firms' attitudes about low income youth. According to MDRC's survey of participating firms in YIEPP, over 80 percent of the employers felt that YIEPP enrollees had average to above average work habits and work attitudes. Table 5-3 presents these and related findings from the survey.

More significant than the self-reported attitudes of private businesses is their actual behavior in the hiring of low income youth. When MDRC asked whether firms had hired or intended to hire program youth on an unsubsidized basis, 57 percent of private sector work sponsors answered affirmatively. The study of private sector work sponsor retention in YIEPP found that of 513 private worksite sponsors active in September 1979, 68 percent still had youths working for them by May 1980. An additional 19 percent indicated that, while they did not have any youth currently assigned, they were willing and interested in hiring more. This optimistic picture should be tempered by the fact that the 513 employers surveyed were originally willing to participate as work sponsors. Still, it may be that "familiarity breeds involvement"--that once a private sector firm is linked to the employment and training system, the firm is likely to appreciate the young workers and hire additional workers.

The experience of YIEPP and other youth employment and training programs with the private sector has generally been positive. In the case of YIEPP, wage subsidies were shown to contribute to employers' willingness to hire disadvantaged youth, yet a genuine desire to help these youth was a commonly cited reason for employer participation. Employer enthusiasm with the program can be measured by the willingness of over half the participating firms surveyed to hire program youth on an unsubsidized basis.

Youth who were placed at private sector worksites tended to value their experiences more highly than their counterparts in the public sector. Further, contrary to the belief that low income youth have poor work habits and attitudes, over 80 percent of YIEPP employers stated that program youth had average to above average work habits and attitudes.

The MDRC report notes some of the drawbacks associated with private sector placements. First, there was no significant difference in quality between YIEPP jobs in the public, non-profit sector and the private sector. Second, displacement of existing workers by program youth did occur. Third, private sector placements, even with full wage subsidies, cost more to secure than traditional public or private-not-for-profit placements. One reason was that the average number of placements was lower than in public or nonprofit organizations. Fourth, very high subsidy rates may be necessary to stimulate private firms to create jobs for disadvantaged youth and in some cases, even 100% subsidies may not be enough (see, for example, Appendix A). These reasons, taken together, illustrate the importance of defining "partnership" under JTPA as a genuine mixing of public and private sector work opportunities for in-school youth. The private sector cannot and is likely not to want to supplant public establishments as the sole source of work sites for in-school work programs. Section 6.0 reviews the historical nature of this argument and shows that the current cry for private sector control over training programs is not new or unique.

6.0 Private Sector Employment of Disadvantaged Youth: A Review of Issues

Interest in the private sector as both a training source and employer of disadvantaged youth is not new. According to Bernard Anderson, "the national focus on persons with persistent employment difficulties runs in cycles: every twenty years we discover the structurally unemployed, and every ten years we rediscover the private sector."* Current interest in the private sector stems from disillusionment with the effectiveness of government employment and training programs as well as the recognition that the majority of jobs are in the private sector. Indeed, more than 80 percent of jobs are located in the private sector. It is believed that in the short run private sector placements are less costly than public sector employment and may also produce long run savings such as reduced dependence on public assistance. Also, besides developing good work habits and skills, entrance into the private sector increases information and contacts which may lead to subsequent job opportunities.

The loss of jobs to suburban areas and the subsequent decline in inner city manufacturing has exacerbated the employment situation for youngsters from urban centers.** Further, the persistent shift towards the service sector is less than promising. "Because of marked differences in the nature of work between the two sectors, mobility from manufacturing to services employment occurs slowly, if at all."*** While this decline in employment opportunities has been countered to an extent by some employment in the service sector and by public sector employment, complete substitution has not occurred.

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* Bernard E. Anderson, "Private Sector Efforts to Employ the Disadvantaged: The Second Round," Columbia Journal of World Business, Winter, 1978, pp. 62-71.

** Eli Ginzberg, Youth Unemployment," Scientific American, May, 1980, pp. 43-49.

***Bernard E. Anderson, op. cit.

Although a job in the private sector is generally considered to be an attractive placement, disadvantaged youth face several barriers to entry. Some difficulties for youth attempting to gain entry into the private sector are associated with the costs of doing business. Also, businesses face a number of government-imposed regulations which can increase the cost of hiring youth. Finally, these barriers to entry often combine with employer attitudes about youth in general, and disadvantaged youth in particular, to exacerbate further the difficulties of private sector placement.

Factors that may add to the cost of hiring youth in the private sector include:

- o Minimum wage laws--while there is considerable debate over what effect the minimum wage has on youth employment, there is some belief in the business community that it has an adverse effect.
- o Training costs for inexperienced and unskilled youth.

Government regulations that apply to youth:

- o child labor laws;
- o occupational licensing requirements;
- o minimum age requirements for the operation of certain machinery and vehicles;
- o apprenticeship program requirements.

The added costs of hiring youth particularly affect new and small businesses where the lion's share of entry level openings are available. Skill requirements tend to be lower in small businesses and union requirements rare. However, these businesses often operate on low profit margins which may make them more reluctant to assume the potential extra expense of hiring youth. In addition, these smaller firms have a greater difficulty absorbing the lower productivity sometimes associated with younger workers.

In addition to factors that may add directly to the financial burden associated with hiring youth, there are a number of structural barriers that add to the difficulties of private sector employment for youth. These include:

- Both a relative and an absolute decline in the number of entry level positions;
- A shift away from manufacturing to service industries that sometimes implies more sophisticated and technical entry level requirements;
- Union control of apprenticeship and hiring in some industries;
- Complex personnel systems in larger businesses;
- Corporate expansion out of the inner city, leading to transportation problems for many urban disadvantaged youth;
- A growing tendency toward internal promotions. This factor complicates entry level hiring, since employers may be looking for workers who will make long-term commitments, rather than workers who are simply qualified for an entry-level job;
- Reluctance of businesses to adjust work schedules to accommodate in-school youth.

Besides facing structural barriers caused by recent changes in the labor market, youth are also more susceptible than the general population to cyclical economic downturns.

Employer attitudes and presuppositions about young workers are at least as important barriers to entry as the above economic and structural considerations. In a survey of attitudes* towards young workers in general and disadvantaged youth in particular, it was found that employers frequently believe that:

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* Private Sector--Education Roundtable Series, Vice President's Task Force on Youth Employment, October, 1979. See Knowledge Development Report No. 2.16.

- In general, youth have a negative attitude toward the ethic of the workplace; disadvantaged youth bring with them the "culture of the streets" which implies a code of behavior inappropriate to the world of work;
- Youth lack work experience; they are "unproven commodities;"
- Disadvantaged youth tend to have little self-discipline and may also be heavy drug and alcohol abusers;
- Today's youth are particularly deficient in basic academic skills;
- Youth often make poor impressions at initial job interviews.

The Recent History of Private Sector Involvement in Employment and Training Programs

The concerted effort to involve the private sector in federal employment and training programs has a relatively short history. Aside from offering small scale subsidized on-the-job training, intensive private sector involvement was virtually non-existent until the creation of the National Alliance of Business--Job-Opportunties in the Business Sector Program in 1968. This marked the first time that the federal government had made a concerted effort to involve the private sector in solving the employment problems of disadvantaged workers. This effort came about after an appeal by President Johnson to business leaders to "hire, train and retrain" 500,000 disadvantaged workers.

During the first year of program operation, over 150,000 persons were hired. Participating companies were to be reimbursed only for "extraordinary costs." Most firms participating in NAB/JOBS were large companies producing for national markets and could adjust their workforce to accommodate less qualified workers.

The recession of 1970-1971 had a strong negative impact on the NAB/JOBS program. Particularly hard hit during this time were the durable goods manufacturing industries, which had created a large number of NAB/JOBS slots. The program continued, but on a much smaller scale, and eventually faded from public view.

Other Early Programs Linked With the Private Sector

Although the NAB/JOBS program was the major private sector initiatives of its time, other programs involving the private sector are worthy of examination. Some examples include:

- The Training and Technology Project (TAT) which combined elements of institutional and on-the-job training to place the hard-to-employ in high skilled jobs. In 1973, 90 percent of its graduates were placed in industrial jobs. Sixty-seven percent of program enrollees were youth.
- The Job Corps, which provided intensive training to disadvantaged youth in residential settings, attempted to involve the private sector as contractors.
- The Vocational Exploration Program (VEP), originally part of the Neighborhood Youth Corps, placed youth in the private sector for career exploration and orientation to the world of work.
- Operation Young Adults, which employed a half-time school/half-time work approach.
- Experience-Based Career Education provided disadvantaged youth with alternative education and career exploration in the private sector.
- Career Intern Program offered alternative education combined with

hands-on work experience. Work experience were sought in the primary labor market.

- 70001, originally organized by the Thom McAn Shoe Company, was aimed at high school drop-outs. The program consisted of a mix of classroom work and related job experience.
- Jobs for Youth (JFY) offered counseling, educational and employment services to youth.

The Emergency Employment Act of 1971 and the early years of CETA did not spawn greatly renewed emphasis on the private sector. Indeed, due to the recession of 1974-75 and continued high unemployment rates, the early years of the Carter Administration saw the doubling of public service slots.

The growth of public service employment was accompanied by increasing disillusionment with its perceived image as "makework." In addition, some believed it had reached a saturation point, while others deemed it too expensive. Still others believed that PSE was quite unsuccessful in achieving the goal of placing the disadvantaged into unsubsidized private sector jobs and called for other strategies. These concerns, as well as he gradual improvement of the economy, led to a renewed interest in increasing private sector involvement in employment and training programs in the late 1970's.

Through the early 1970's, private sector response to CETA had generally been negative. This response was due to several factors:

- It was perceived that public programs do not supply the quality or specific type of training and experience required by private sector businesses.
- Prior poor experiences with public employment and training programs. Historically,

> . . . many prime sponsorships have had remarkably little to do with the private sector. Either they have avoided direct contact or, in some cases, they have attempted to make an effort with on-the-job training and have been able to elicit no positive response. These prime sponsorships perhaps face an uphill task in attracting commitment and favorable attention from the private sector. At minimum, they probably have to combat the generally unfavorable private sector image of CETA.*

- Preconceived and stereotypical notions about the value of disadvantaged youths as workers, or youth from public employment and training programs, have contributed to the reluctance of private businesses to become involved in such programs, or to hire program participants. Sometimes these attitudes are based on prior negative experiences with the CETA system or with young employees from "high risk" backgrounds.

> The prime sponsorships with the greatest attitudinal obstacles...are those that have had CETA programs specifically aimed at the private sector in the past that have failed publicly.**

The 1977 Economic Stimulus Appropriations Act provided funds for the Skill Training Improvement Program (STIP). STIP was a CETA Title III demonstration project designed to establish advanced skill training programs in the private sector for long-term unemployed, underemployed, and low-income persons. During FY 1978, 142 prime sponsors were included in the first round of funding under STIP. While all available STIP funds were distributed by the first quarter of FY 79, many prime sponsors have been able to draw on their experience in STIP projects in the implementation of the Private Sector Initiatives Program (PSIP), described below.

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* Ohio State University Research Foundation. A Formative Evaluation of the Private Sector Initiative Program: Report No. 1, May, 1979, p. 14.

**Ibid.

From mid-1977 to mid-1978, there were a number of discussions involving policymakers, businesses and labor on how best to stimulate the involvement of the private sector. The end result of his consensus-building effort was the submission of a Carter administration bill to Congress that was passed in October, 1978, as Title VII of CETA--The Private Sector Initiatives Program.

One of the central features PSIP was the mandate to establish Private Industry Councils (PIC) to work with CETA prime sponsors to plan training and placement activities directed toward private sector employers. Indeed, the legislation specifies that "any prime sponsor receiving financial assistance under this title shall establish a private industry council." Furthermore, private businesses and industry must enjoy majority representation on the PIC, and organized labor, CBO's and educational institutions must also be represented. Each of the 470 CETA prime sponsors have established PICs, and, in fiscal years 1979 and 1980, combined, $400 million in funds were made available for PSIP.*

In a sense, PSIP in general, and the institution of PICs with majority private sector membership in particular, represented a new strategy for CETA efforts to involve the private sector in employment and training programs. The challenge of upgrading CETA and increasing private sector placement for CETA participants was now shared with private industry itself. PICs were intended to define more precisely the labor needs of the private sector so that the CETA system could be more responsive. PSIP thus acted to attract attention to the demand side of the labor market, while CETA traditionally concentrated on the supply side needs. Furthermore, Title VII promised local business interests a large voice in the allocation of PSIP funds (through PICs), a considerable amount of local discretion and flexibility, and a minimum of administrative regulations.

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* Employment and Training Report of the President, 1980, p. 40.

A long-term study of the implementation of PSIP in 25 sites was carried out by Ohio State University.* This evaluation affords some insight into the composition and activity of PICs, as well as the relationships developing between PICs and CETA prime sponsors. In general, researchers show that PICs were able to achieve the mixture of representation called for in the legislation. The most influential actors, however, were the local CETA staff, larger businesses, and active local business organizations, such as Chambers of Commerce and NAB. Smaller businesses, CBO's and educational institutions have been slower in achieving representation. Organized labor showed little interest in PSIP, (they believed they have little at stake) and limited their interest to assuring that no labor interests were threatened. Once a PIC was established, its permanent full-time staff generally assumed major responsibility for implementing (and sometimes initiating) PSIP activities and programs.

These themes led to the further strengthening of the private sector under the Jobs Training Partnership Act.** JTPA, then, should be viewed as part of an evolving partnership between the public and private sector, rather than a bold new initiative.

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* Ohio State University, op. cit.

**Program descriptions obtained from PSIP Clearinghouse of the National Alliance of Business

APPENDIX A

Can Employer or Worker Subsidies Raise Youth Employment? Highlights from an Evaluation of Two Financial Incentive Programs for Disadvantaged Youth:

A YEDPA-funded project in Cambridge (run by the local CETA prime sponsor) tested a voucher payment directly to youth, combined with a job search assistance program. Youth received structured intensive job search training and assistance for periods of up to 4 weeks as well as access to a voucher. For each hour of instruction or active job search under the Job Factory, youth received stipends equal to the minimum wage. Those who succeeded in obtaining unsubsidized jobs were paid a direct supplemental wage bonus for each hour of paid employment during 12 weeks after their jobs commenced, equalling $1.50 per hour for the first 2 weeks and $1 per hour for the subsequent 10 weeks. Youth participating in the experiment totaled 399 of whom 108 were in control group.

A Wilkes Barre, PA project, run by Youth Employment Service, a local community-based organization, tested the impact of making wage vouchers or tax subsidies available to employers hiring disadvantaged youth. The design required a three-way division of employers, randomly assigned to one of the three categories. Employers in Group 1 were:

(1) encouraged to hire low-income 18-24 year olds and take advantage of TJTC;

(2) offered a special wage voucher subsidy to employ 16-17 year olds served by the program.

Employers in Group II were encouraged to use TJTC but had no access to the special wage subsidy for hiring younger youth. Control group employers (Group III) were not contacted or eligible for the special wage voucher subsidy. A total of 125 employers participated and 479 youth.

The study conducted by Brandeis University sought to compare and contrast the usefulness of the direct youth wage subsidy versus the employer subsidy.

The key result from the employer subsidy side of the study was that virtually none of the 150 firms eligible for the subsidy actually took up the payment by hiring a low-income youth. In contrast to the *employer* subsidy, the voucher paid to workers consistently raised the employment of disadvantaged youth.

Other findings of interest from the study include:

- The treatment which combined job search assistance with a voucher produced employment gains in the initial period after program startup; but
- the combined treatment did no better and sometimes worse than the voucher alone in later periods;
- the positive employment effects in the combined treatment group did not seem to result from more intensive job search assistance;
- neither the voucher only nor the combined treatment appears to have caused more than slight increases in job tenure; but,
- the voucher-only is able to increase job finding among disadvantaged youth at a lower cost compared to the combined treatment.

The findings indicate that the availability of voucher payments encouraged youth to take jobs at lower wages than they would have without the subsidies.

The nonresponse by employers to the offer of subsidies in Wilkes Barre, PA lend support for the idea that highly targeted subsidies are unlikely to yield gains for disadvantaged workers.

The findings from the study suggest that employee wage subsidies do raise the employment prospects of disadvantaged youth. Wage subsidies paid directly to youth are more effective than wage subsidies combined with other services such as job search assistance. The study finds no evidence to support the policy of employer-based wage subsidies for hiring disadvantaged youth.*

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* Barry Friedman, Robert Lerman and Cecilia Rivera, Evaluation of Two Job Search Voucher Programs for Disadvantaged Youth (Waltham: Center for Employment & Income Studies, Brandeis University, 1981).

CHAPTER 6 - EFFORTS TO HELP ECONOMICALLY DISADVANTAGED YOUTH IN THE SUMMER

1.0 Introduction

The summer of 1983 marks the nineteenth consecutive year of operation of the federally-funded summer jobs program for economically disadvantaged youth.[1] The Summer Youth Employment Program (SYEP) provides short-term part-time employment in the public sector to economically disadvantaged 14-21 year olds during the summer months. Together with the Job Corps, the Summer Youth Employment Program is the largest of the surviving categorical employment and training programs enacted by the Congress during the decade of the 1960's.[2]

The summer youth program apparently will remain in operation during the remainder of the decade of the 1980's. Title Two of the recently-enacted Job Training Partnership Act of 1982 provides funding for a separate summer jobs and training program for economically disadvantaged youth between the ages of 14 and 21 years.[3] The Act appears to stress a comprehensive employability services approach to the use of summer program funds, authorizing monies to be spent on a wide variety of program-related activities, including career guidance, labor market information, basic education, vocational training, on-the-job training, and job search assistance as well as work experience.[4] A series of enriched summer demonstration programs funded under the Youth Employment and Demonstration Projects Act of 1977 have illustrated that such comprehensive service delivery approaches can be effective in enhancing the employability of selected subgroups of the economically disadvantaged youth population, particularly high school dropouts and unemployed, recent high school graduates.[5]

The summer jobs program actually began as a component of the Neighborhood Youth Corps (NYC) program.[6] The NYC program was created by the Congress as part of the Economic Opportunity Act of 1964. In November of 1964, responsibility for administering NYC programs was delegated to the Secretary of Labor, who created a separate bureau in the Department of Labor to administer the program.[7] Between the summer of 1965 and the summer of 1973, a total of 3.644 million poor youth between the ages of 14 and 21 wee enrolled in summer jobs programs funded under the Neighborhood Youth Corps.[8]

When Congress passed the Comprehensive Employment and Training Act of 1973, it authorized a separate program designed to provide summer jobs for poor youths under Title III, Section 304 of the Act.[9] This program eventually came to be known as SPEDY-the Summer Program for Economically Disadvantaged Youth. At the time of the passage of the Youth Employment and Demonstration Projects Act (YEDPA) of 1977, a separate Office of Youth Programs (OYP) was created in the Employment and Training Administration of the U.S. Department of Labor.[10] Shortly after passage of YEDPA, the Office of Youth Programs developed a Planning Charter to guide the planning, design, and implementation of all youth programs under CETA.[11]

Among the major objectives outlined in the Planning Charter was that of improving the quality of work experience programs for youths. The Office of Youth Programs began to provide more intensified central direction for the summer youth program to improve the quality of worksites, the management of the program, and the effectiveness of the services provided to participants.[12] Between 1977 and 1980, federal regulations were tightened, project monitoring at all levels was increased, and a wide range of evaluation studies were commissioned by the Office of Youth Programs. These studies included both process and impact evaluations designed to assess the quality of summer project administration, project content, and the impact of summer programs upon participants. In addition, a variety of demonstration projects were funded by the Office of Youth Programs during the summers of 1979, 1980, and 1981 to test the effectiveness of summer program enrichments, including intensive career exploration, labor market information, educational services, and job search training and placement assistance.

During the 1978 reauthorization of CETA, Congress continued to provide separate funding for a summer jobs programs for economically disadvantaged youths. Title IV, Part C of the 1978 CETA Amendments established funding for the summer youth program.[13] During 1979, the summer employment program was given a new title - the Summer Youth Employment Program (SYEP). Today, the summer youth employment program reflects the many developments that have taken place during the past six years, and it is supplemented by a variety of public-private partnership programs aimed at increasing access of economically disadvantaged youths to unsubsidized private sector job during the summer months.[14]

The remainder of this report is devoted to an examination of a number of issues related to the operations and impacts of summer youth employment programs. Among the topics covered are the following: the size and overall employment impacts of the summer youth program; the characteristics of the youths served in recent years and the impact of subsidized summer jobs on the summer employment status of various youth subgroups; the effectiveness of efforts aimed at increasing the quality of summer work sites and the management of the summer youth program; and the impacts of summer youth employment programs upon the work attitudes and job knowledge and the post-program schooling behavior, employment, and social adjustment of participants. The implications of the findings of this review for the design and administration of future summer youth programs for economically disadvantaged youths will be summarized in the concluding section of this report.

1.1 Trends in Enrollments in Summer Youth Programs

Since its inception, the summer youth employment program has served 14-21 year olds from low income families. Prior to 1978, participant eligibility criteria required enrollees to be members of families with annualized incomes below the OMB poverty line. Beginning in 1978, eligible participants had to be 14-21 years old and "economically disadvantaged." To be considered economically disadvantaged, applicants had to be members of families receiving cash public assistance or members of families with annualized incomes in relation to family size that were at or below either the OMB poverty level or 70 percent of the Bureau of Labor Statistics lower living standard income level.

Among the major objectives of summer youth employment programs has been that of expanding job opportunities for poor youth during the summer enabling them to obtain work experience and provide useful community services. During the 1967 debate over the passage of the Economic Opportunity Act, the late Senator Hubert Humphrey stated that the goal of the Neighborhood Youth Corps program was "to put idle youth to work constructively...This program would provide many needed community jobs."[15] Few people appear to appreciate the magnitude of the summer program in recent years and its contribution to providing employment opportunities for economically disadvantaged youth, especially minority youth during the summer months.

Trends in enrollments of young persons in federally-funded summer jobs programs for economically disadvantaged youths under the Economic Opportunity Act and the Comprehensive Employment and Training Act are presented in Table 1. With minor exceptions, the number of economically disadvantaged young persons obtaining subsidized employment under the summer youth programs increased fairly continuously between 1965 and 1978. During the summer of 1965, there were only 47,000 young persons employed in the summer component of the

TA ___. Number of Persons Enrolled in Federally Funded Summer Youth Employment Programs, Selected Years 1966-1982 (in 1000's)

Year	(A) Number of Enrollees
1965	47.6
1966	95.2
1968	255.2
1970	361.5
1972	759.9
1974	577.1
1976	820.9
1977	907.2
1978	1017.1
1979	820.8
1980	734.0
1981	766.4
1982	683.2

Source: 1965-1978 data reported in DOL/Office of Youth Programs Report No. 33 (Feb 1979), Compilation of Reports of 1978 Summer Youth Employment Programs, DOL/OYP. 1979-1983 data are from the President's Employment and Training Reports, GPO, Washington DC and the U.S. Department of Labor, Employment and Training Administration.

Neighborhood Youth Corps. Enrollments expanded by 16 times to a level of 760,000 by the summer of 1972. After declining briefly for several years, summer program enrollments continued to increase, rising over the one million level by the summer of 1978. Since that year, summer youth program enrollments have declined, falling to a level of 683,200 during the summer of 1982. The decline in subsidized summer youth jobs unfortunately occurred in a labor market environment characterized by rapid deterioration in overall employment opportunities for youths. Between the summer of 1978 and the summer of 1982, total employment of young persons, 16-21, fell by 2.4 million or 15 percent, due in part to drops in their labor force participation and population size.[16] The impact of the SYEP program upon the summer employment levels of all youths 14-21 and various subgroups of the youth population will be examined in following sections of this report.

The actual magnitude of the Summer Youth Employment Program can be more readily understood by comparing enrollment levels in this program with those in all other youth programs administered under CETA. Available evidence on youth program enrollments in recent years reveals that the Summer Youth Employment Program (SYEP) has served more young persons (14-21) than all other locally operated CETA-related employment and training programs combined.[17] To illustrate this point, Table 6-2 provides data on numbers of new enrollments of young persons (14-21) in various CETA programs during Fiscal Years 1979 and 1981. The data are derived from the national Continuous Longitudinal Manpower Survey, a national sample survey of enrollees in key employment and training programs administered by local prime sponsors under the CETA legislation.[18]

During Fiscal Year 1979, CLMS surveys indicated that there were approximately 1.269 million young persons (14-21) enrolled in CETA-related employment and training programs.[19] Of this total number of new enrollees,

TABLE 6-2 New Enrollments of Young Persons (14-21) in CETA Programs during Fiscal Years 1979 and 1981, by Program Type

Program Type	(A) New Enrollments, FY 1979	(B) New Enrollments, FY 1981
All CETA Programs	1,268,900 (100.0%)	1,062,617 (100.0%)
Summer Youth Programs	696,500 (54.9%)	637,951 (60.0%)
Nonsummer Youth Programs	337,700 (26.6%)	158,695 (14.9%)
Adult-Oriented Programs	234,800 (18.5%)	265,971 (25.0%)

Sources: (1) Westat, Inc., Continuous Longitudinal Manpower Survey, Report No. 11, Characteristics of Youth Enrollees Who Entered CETA Programs During Fiscal Year 1979, "Table 9", p. 50;

(2) U.S. Department of Labor, Employment and Training Report of the President, 1982, "Tables F-10.1, F-10.11, pp. 296, 317.

696,500 young persons were first enrolled in the summer program, representing nearly 55% of all new enrollees (14-21) during this year.[20] During FY 1981, the total number of young persons newly enrolled in CETA programs fell to 1.063 million. While summer youth enrollments also declined, the summer youth programs accounted for 60% of the total number of new enrollees 14-21 years of age during this year. Clearly, in terms of enrollments, the Summer Youth Employment Program has dominated the delivery of services to youths under the CETA system. This intense compression of employment and training services, with 55-60% of all youths being served in an 8-10 week period during the year, has tended at times to put severe strains on the local CETA delivery system.

In addition to serving more young persons than all other CETA-related employment and training programs, the Summer Youth Employment Program also tends to serve far more 14-15 year olds than all other programs and serves proportionally more young persons from poverty families and families receiving some form of cash public assistance income. For example, during Fiscal Year 1979, 84% of all new enrollees 14-15 years of age were served by the SYEP program.[21] During the same year, 83% of all new enrollees in SYEP programs were members of families with incomes below the OMB poverty line and/or recipients of some form of cash public assistance. Among new enrollees in nonsummer youth programs and adult-oriented programs, the proportions were 79% and 75%, respectively.

1.2 Summer Employment Impacts of SYEP Programs

As noted earlier, one of the major objectives of the Summer Youth Employment Program is to expand overall employment opportunities for youths from economically disadvantaged backgrounds during the summer months. Given the large enrollment levels in the summer program during recent years, the SYEP program could be expected to have a rather major impact upon the youth labor market during the summer months, particularly for minorities and economically disadvantaged youth. To provide an indication of the extent to which the summer program increased overall employment opportunities for young persons (14-21), SYEP enrollments are compared to total employment levels of young persons (14-21) during the summers of 1978 to 1982.[22] (See Table 6-3). For purposes of this analysis, the summer is defined as the months of July and August since it is during these two months that the bulk of SYEP enrollees are on board.

Before examining the findings in Table 6-3, it should be noted that one cannot automatically assume that all SYEP jobs represent net new employment opportunities for youths 14-21 years of age. In the absence of the SYEP program, some of the participants would have sought and succeeded in obtaining unsubsidized employment in the private or public sector of the economy. Some of these jobs, however, would have come at the expense of other youths or of adult females in the retail trade and private services sectors.[23] In addition, limited evidence from time use diaries of disadvantaged youth who applied for but did not obtain summer youth jobs reveals that only a small fraction (20%) were able to obtain unsubsidized jobs during the summer.[24]

During the 1978-82 period, the mean level of enrollments in SYEP programs was 804,000. The job slots provided by the SYEP program during this period were equivalent on average to 4.8% of the total number of employed persons (14-21) in the U.S. During the peak enrollment year of 1978, SYEP jobs accounted for 5.6% of total employed persons 14-21 years of age. Findings in Table 6-3 suggested that 1 out of every 20 employed youths 14-21 years of age held subsidized jobs funded under the Summer Youth Employment Program during the 1978-82 period. As will be revealed in the following section, this ratio

TABLE 6-3

SYEP Enrollments as a Percent of Total Employment of All Persons (14-21) During the Summer, 1978-1982
(Numbers in 1000's)

	(A)	(B)	(C)
Year	Number of Employed Persons 14-21	SYEP Enrollments	SYEP Enrollments as % of Employed Persons
1978	18,102	1017.1	5.6%
1979	17,674	820.8	4.6%
1980	16,650	734.0	4.4%
1981	16,198	766.4	4.7%
1982	14,934	683.2	4.6%
5 Year Average	16,712	804.3	4.8%

Sources: (1) Employment data appearing in Column A were derived from the following publications:

i) U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics Derived from the Current Populaton Survey: A Databook, Volume 1, Bulletin 2096, 1982;

ii) U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, August/September, 1978 to 1982.

tends to vary widely by age group, sex, and race of 14-21 year olds.

The impact of SYEP programs upon the youth labor market during the summer months can also be gauged by examining the change in total employment among young persons (14-21) between the spring and summer that is attributable to the summer jobs program. The youth labor force is characterized by substantial seasonal fluctuations, with the probability of a teenager entering the labor force being greatest in the months of June and July.[25] During the 1978-81 period, the number of 16-21 year olds in the civilian labor force expanded on average by 3.06 million, or 21%, between the spring (March-May) and summer (July-August) of the year.[26]

Data in Table 6-4 reveal that during the 1978-82 period SYEP enrollments were equal to nearly 25% of the total increase in employed 14-21 year olds between the spring and summer months. This ratio tended to vary within a rather narrow range from a high of 26.0% during the peak SYEP enrollment year of 1978 to a low of 23.5% during the summer of 1979. Similar findings were previously found for the first half of the decade of the 1970's. Clark and Summers' analysis of youth labor force flows indicate that summer jobs programs absorbed 20% of the net increase in teenage labor force entrants during the summer.[27] The impact of the SYEP program upon the summer labor market for all young persons is rather impressive. Our findings suggest that 1 of every 4 additional jobs obtained by young persons during the past five summers was generated by the Summer Youth Employment Program. We shall now turn to an examination of who gets served by the Summer Youth Employment Program and assess the impacts of the SYEP program upon summer employment opportunities for various subgroups of the youth population.

TABLE 6-4 SYEP Enrollments as a Percent of Net New Summer Employment Opportunities for All Youth (14-21), 1978-1982

	(A)	(B)	(C)
Year	Spring to Summer Employment Change (in 1000's)	SYEP Enrollments	SYEP Share of Total Employment Increase
1978	3,918	1017.1	26.0%
1979	3,495	820.8	23.5%
1980	3,001	734.0	24.5%
1981	3,092	766.4	24.8%
1982	2,858	683.2	23.9%
5 year average	3,273	804.3	24.6%

Sources:

Office of Youth Programs, The Summer Youth Employment Programs: A Report on Progress, Problems, and Prospects, Report No. 33, Washington, DC, 1979.

Andrew M. Sum and Donna Olszewski, An Assessment of the Performance and Impacts of the Summer Youth Employment Program, Center for Labor Market Studies, Northeastern University, Boston, 1981.

Andrew Sum, Paul Harrington and Paul Simpson, Summer Jobs Programs for Economically Disadvantaged Youth: Their Size, Operations and Impacts Upon Participants, Center for Labor Market Studies, Northeastern University, Boston, 1983.

1.3 Characteristics of SYEP Enrollees

To be eligible for participation in SYEP programs, applicants must have been 14-21 years old and economically disadvantaged. Knowledge of the characteristics of those 14-21 year olds who obtained subsidized employment under SYEP would be useful in determining "who" gets helped by SYEP programs. Data on selected demographic and socioeconomic characteristics of SYEP participants were collected by CETA prime sponsors and reported to the regional offices of the Employment and Training Administration. Table 6-5 provides a summary of selected key demographic and socioeconomic characteristics of SYEP participants for the summers of 1979 to 1981.

For the 1979-81 period, SYEP enrollees were fairly evenly divided between males (51.6%) and females (48.4%). During the past six years, a trend toward equality in the distribution of summer job slots between men and women has prevailed. During the summer of 1975, 56% of those in summer job programs were men.[28] This ratio had fallen to 54% by 1977 and to 51% by the summer of 1979.[29] Youths (16-19) accounted for a majority of those served under the SYEP program. On average, during the 1979-81 period, nearly 57% of all participants were between the ages of 16-19. Teens in the 14-15 age group have also accounted for a substantial proportion of enrollees in the SYEP program, representing approximately 3 of every 8 participants in the SYEP programs during the summers of 1979 to 1981. Young persons in the 20-21 age group accounted for only 5.5% of SYEP participants during this three year period. The SYEP program clearly is a teenage-oriented program, with 95 of every 100 jobs held by 14-19 year olds.

The SYEP program tends to serve substantial numbers of minority youth. A majority (51.7%) of the SYEP participants during the summers of 1979-81 were members of racial minority groups, and approximately 1 of 6 were Hispanic.

TABLE 6-5 Distribution of SYEP Participants by Age, Sex, Race, Schooling Status, and Public Assistance Status, 1979-1981

Characteristic	(A) 1979	(B) 1980	(C) 1981	(D) 3 Year Average
Sex				
Male	50.9	51.9	52.1	51.6
Female	49.1	48.1	47.9	48.4
Age				
14-15	39.9	38.0	34.9	37.6
16-19	55.2	56.4	58.8	56.8
20-21	4.7	5.6	6.2	5.5
Racial/Ethnic				
White, non-Hispanic	30.6	32.2	32.5	31.8
Black and other, non-Hispanic	51.7	49.8	53.6	51.7
Hispanic	17.8	18.0	13.9	16.6
School Status				
High School Student	83.8	81.2	81.9	82.3
High School Graduate	6.0	6.7	6.8	6.5
Post-High School	5.1	5.6	5.5	5.4
High School Dropout	5.0	6.5	5.8	5.8
Public Assistance Status				
AFDC Recipient	33.6	32.6	37.4	34.5
Any cash public assistance	44.5	38.7	43.1	42.1

Source:
Regional Automated Systems (QSPC), U. S. Department of Labor, 1979-1982.

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Less than one-third of all SYEP participants were white, non-Hispanic youth. The vast majority of SYEP participants are in-school youth (82.3%). High school graduates and students attending post-secondary educational institutions accounted for another 12% of participants. High school dropouts typically have not been well served by the SYEP program. Only 6% of all SYEP program enrollees during the summers of 1979 to 1981 were high school dropouts. Given the income eligibility criteria, the SYEP program does attract a high proportion of enrollees who are members of families receiving some form of cash public assistance from the government. More than one-third of all SYEP enrollees were members of families receiving payments under the Aid to Families with Dependent Children (AFDC) and another 7.6% were members of families receiving some form of cash public assistance.

More detailed data on the characteristics of SYEP enrollees are available from the Continuous Longitudinal Manpower Survey (CLMS). These data are based on a representative sample of new enrollees in SYEP programs.[30] CLMS findings for the 1979 SYEP program indicate that the vast majority of SYEP participants had little or no employment in the nine months prior to their entry in the program. On average, only 4% of enrollees were employed in any given month during this nine month period, 6% were unemployed, and 90% were out of the labor force, with the bulk of this group enrolled in a school or a training program.[31]

The family income data from the CLMS survey reveal that the vast majority of SYEP participants (83%) come from families either dependent on some form of cash public assistance or with incomes below the OMB poverty line.[32] These findings indicated that SYEP programs are quite successful in recruiting participants from families in substantial need of additional income. While SYEP programs should not be primarily viewed as income maintenance programs, one must also recognize the important role that earnings from SYEP jobs can play in improving the economic welfare of the families of many participants. During the 1980 SYEP program, the average participant was paid $635 in wages and allowances.[33] The OMB poverty line for a nonfarm family of 4 persons in 1980 was $8,414.[34] The mean earnings of SYEP participants during the summer of 1980 were, thus, equivalent to 7.5% of the OMB poverty line for a 4-person, nonfarm family. The median income deficit (i.e., the amount of additional cash income needed to reach the OMB poverty threshold) of all poor families in the U.S. during 1980 was $2,609.[35] Earnings of SYEP participants were equal to nearly 25% of the median income deficit of poor families. The earnings from summer jobs programs, thus, can contribute in a substantive way to ameliorating the income problems of poor families across the nation.

1.4 Estimates of SYEP Eligibles and Comparisons of Eligibles and Participants

Estimates of the number of 14-21 year olds eligible for participation in SYEP programs during 1980 are presented in Table 6-6. As noted earlier, eligibility criteria for SYEP program participation only include the age of the applicant (14-21 years of age, inclusive) and the income status of the family (the participant's family must be economically disadvantaged). Applicants for SYEP programs do not have to meet unemployment criteria to be considered eligible for participation. The estimates appearing in Table 6-6 are based upon the findings of the national March 1980 Current Population Survey and are, thus, dependent on the 1979 calendar year income data for families reported in that survey.[36]

The number of 14-21 year old individuals eligible for SYEP programs in 1980 was estimated to be 6.7 million. During that year, 734,000 economically disadvantaged youths were served by the SYEP program. Findings presented in

Table 6-6, thus, indicate that approximately 1 of 9 eligible youth were actually served by the program. The ratio of actual participants/eligibles varies by age group, sex, and racial/ethnic group. The youngest of the eligibles, i.e., those 14-15 years old, participated in SYEP programs at a rate 44% above the average while 20-21 year olds participated in the summer program at a rate 75% below the average. Eligible males were more likely to be enrolled in the SYEP program than were females. This result is influenced by the fact that females account for an above average share of the eligible population (54%), but received slightly less than half of all SYEP slots during the summer of 1980. Finally, SYEP eligibles from racial and ethnic minority groups are much more likely than eligible whites to participate in SYEP programs. Blacks and Hispanics participate at rates more than double those of white, non-Hispanics.

The estimates of "SYEP eligible participation rates" appearing in Table 6-6 cannot by themselves be used to identify the extent of over and under-representation of specific eligible subgroups in the SYEP participant population. The fact that an individual is "eligible" for SYEP program participation does not automatically imply that he or she is "in need" of the program service. Many of the youths eligible for SYEP participation, especially the older and better educated members of the eligible population, will be able to obtain employment in the unsubsidized labor market during the summer. Ideally, we would like to know how many youths in the SYEP eligible population wish to work, but are unable to find unsubsidized employment during the summer months.[37] Such data would enable us to determine the extent to which SYEP eligibles identified as "under-represented" in Table 6-6 actually remain without jobs. Unfortunately, existing household labor force surveys do not capture information on family incomes of respondents during the summer months.[38] As a result,

TABLE 6-6 Distribution of SYEP Eligibles and Actual SYEP Enrollees by Age, Sex, and Race: U.S., 1980 (Numbers in 1000's)

Characteristic	(A) SYEP Eligibles	(B) SYEP Participants	(C) Participants/ Eligibles
All 14-21	6,717	734	.109
14-15	1,774	279	.157
16-19	3,394	414	.122
20-21	1,549	41	.026
Male	3,071	381	.124
Female	3,646	353	.097
White, non-Hispanic	3,424	236	.069
Black, non-Hispanic	2,347	338	.144
Hispanic	786	132	.168

Sources: (1) Estimates of SYEP eligibles: Cohen, Malcolm S., *1980 CETA Eligibility Estimates,* Institute of Labor and Industrial Relations, the University of Michigan-Wayne State University, 1981.

(2) Data on SYEP participants: U.S. Department of Labor, *Employment and Training Report of the President, 1981.*

we cannot determine how many actual SYEP eligibles either remain unemployed during the summer months or withdraw from active labor force participation following an initial unsuccessful search for a job.

One can, however, utilize available information on the extent to which various subgroups of the overall youth population acquire unsubsidized employment during the summer months to provide likely indications of "unmet need" for employment among SYEP eligibles. Data appearing under Column (A) of Table 6-7 represent estimates of the unsubsidized employment/population ratio for key youth subgroups. These ratios simply represent the proportion of the civilian noninstitutional population of each subgroup that were occupying unsubsidized jobs during the summer months (July-August) of 1980.[39]

The findings presented in Table 6-7 reveal that approximately 49% of all 14-21 year olds throughout the U.S. were able to obtain unsubsidized employment during the summer of 1980. This proportion tended to vary substantially by age and race and more moderately by sex. While two-thirds of all 20-21 year olds were able to obtain "unsubsidized" employment during the summer of 1980, less than one-fifth of all 14-15 year olds were able to do so. The substantially lower rate of employment among 14-15 year olds is influenced in part by the provisions of the Federal Fair Labor Standards Act and state child labor laws that restrict the range of employment opportunities available to 14-15 year olds.[40]

Males (16-19) were more likely to obtain unsubsidized employment during the summer months than their female counterparts. The difference between the unsubsidized employment/population ratios of these two groups is approximately nine percentage points. White teens were more than two times as likely as black and other minority teens to gain access to unsubsidized jobs during the summer of 1980.[41] While 58.2% of all white teenagers (16-19) were successful in obtaining access to unsubsidized jobs during the summer of 1980, only 27.2% of black and other teens were able to do so.

TABLE 6-7 Unsubsidized Employment/Population Ratios of Young Persons, 14-21, by Age, Sex, and Race: U.S., Summer 1980 (Numbers in Percent)

Characteristic	(A) Unsubsidized E/P Ratio, All Youths	(B) Unsubsidized E/P Ratio, SYEP Eligible Youths	(C) SYEP Enrollees as Percent of Eligibles Unable to Obtain Unsubsidized Employment -Estimates
All 14-21	48.6	34.0	.165
14-15	18.8	13.2	.181
16-19	53.1	37.2	.194
20-21	67.0	46.9	.049
Males 16-19	57.5	40.2	.207
Females 16-19	48.7	34.1	.147
White 16-19	58.2	40.7	.164
Black and Other 16-19	27.2	19.0	.201

Sources: (1) U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume I*, Bulletin 2096;

(2) U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, July and August 1980;

(3) U.S. Department of Labor, *Employment and Training Report of the President, 1979*.

Estimates of unsubsidized employment/population ratios for subgroups of SYEP eligible youths are presented under Column B of Table 6-7. These estimates were derived by multiplying the employment/population ratios for each youth subgroup in Column A by a factor of .70. CPS findings for youths in poverty and non-poverty neighborhoods of the nation have revealed that youths in poverty neighborhoods were employed only 70% as frequently as their counterparts in non-poverty areas during the spring (March-May) of 1979 and 1980. Given the estimates of employment/population ratios for the various subgroups of the SYEP eligible population and the numbers of SYEP jobs that they held during the summer of 1980, we can derive quantitative estimates of the role of SYEP program in providing employment for those unable to obtain unsubsidized employment during the summer.[43] Our estimates appear under Column C of Table 6-7. The findings of this analysis suggest that SYEP programs provided jobs for 1 out of every six SYEP eligible youth who could not find an unsubsidized job during the summer of 1980. This was equivalent to raising the overall employment/population ratio of SYEP eligible youth by 11 percentage points, or 32%. This job creation performance is quite impressive.

SYEP programs did not have a uniform impact upon the "unmet employment" needs of all subgroups of eligible youths; however, the findings presented under Column C of Table 6-7 do indicate that, with the exception of the male/female gap, SYEP programs do address employment needs of economically disadvantaged youth more uniformly than indicated by our previous findings in Table 6-6. SYEP programs address the unmet employment needs of 14-15 and 16-19 year old eligibles to a fairly similar degree (18.1% and 19.4%, respectively). Only a small fraction (5.0%) of the non-employed 20-21 year old eligibles are served by SYEP programs. From an equity standpoint, this suggests a need for expanding services to this group; however, it is not clear that the SYEP program is the most effective vehicle for meeting the employment and training needs of this group or that 20-21 year olds wish to enroll in teen-oriented programs. Adult-oriented programs under Title II of the Jobs Training Partnership Act are likely to be more appropriate alternatives. Given the fact that summer monies can be spent on a wide range of employability skills, Service Delivery Agents under JTPA may well wish to give consideration to using summer monies for providing basic literacy and other pre-vocational services to SYEP eligibles in the 20-21 age group as a first services step before transitioning them into Title II skill training programs.

During the summer of 1980, SYEP programs provided jobs for approximately 21% of the eligible males (16-19) who were not able to obtain unsubsidized employment. In comparison, SYEP jobs were obtained by 15% of the nonemployed pool of eligible female teens. This differential effect exists despite the fact that economically disadvantaged women (14-21) achieved near parity with men in access to SYEP jobs. The lower employment/population ratio of disadvantaged women would require a majority of SYEP slots to be allocated to women in order for the program to generate an equal relative impact upon the pool of non-employed eligible women. Given differences in barriers to labor force participation between economically disadvantaged men and women, shifting the sex composition of SYEP enrollees might well require additional resources for day care and family support services.[44]

SYEP programs generated jobs for approximately one-fifth of the black eligible teens who were not able to obtain unsubsidized employment during the summer of 1980. This impact was approximately four percentage points above that for eligible white teens (16-19). The size of the black/white difference in Table 6-7 is substantially lower than the difference between black/white SYEP participation rates appearing in Table 6-6. SYEP eligible black youth do participate in the summer jobs program to a substantially greater degree than their eligible white counterparts; however, their far higher participation rate succeeds in filling only a slightly higher portion of the nonemployed pool of black eligibles. This is due to the fact that white youths are more than twice as likely as blacks to obtain unsubsidized employment during the summer months and are, thus, relatively much less in need of subsidized employment. The public-private partnership programs being administered in major central cities across the nation can play a key role in increasing the access of disadvantaged, minority youth to the unsubsidized private sector labor market during the summer months.

1.5 Impacts of SYEP Programs on Summer Employment of Youth Subgroups

Given our findings on "who" has been served by SYEP programs during recent years, we can examine the role that the summer jobs program has played in providing employment opportunities for various subgroups of the youth population. Data on the numbers of employed persons and SYEP enrollees in selected age, sex, and racial groups during the summers of 1980 and 1981 are presented in Table 6-8. For purposes of this analysis, we have defined the "summer" as the months of July and August. The final column in Table 6-8 provides estimates of the share of employed persons in each youth subgroup that were enrolled in the SYEP program during the summers of 1980 and 1981. These estimates represent the average for the two years.

The impact of the SYEP program upon the employment of youths during the summer months is fairly similar for male and female teens (16-19), but varies considerably by age and race. The findings indicate that the SYEP program provided 17% of all jobs held by 14-15 year olds, and 5% of all jobs held by 16-19 year olds during the summers of 1980 and 1981. The SYEP program had a

TABLE 6-8

SYEP Enrollments and Employment of Youth Subgroups: U.S., Summer 1980 and 1981 (Numbers in 1000's)

	Summer 1980			Summer 1981			1980-81
	(A)	(B)	(C)	(A)	(B)	(C)	
Youth Subgroup	Employment	SYEP Enrollees	Enrollees as % of Employment	Employment	SYEP Enrollees	Enrollees as % of Employment	Enrollees as % of Employment
14-15	1,695	279	16.4	1,532	268	17.5	17.0
16-19	9,204	414	4.5	8,678	451	5.2	4.9
20-21	5,478	41	0.8	5,690	48	0.8	0.8
Males 16-19	4,969	215	4.3	4,650	235	5.0	4.6
Females 16-19	4,234	199	4.7	4,029	216	5.4	5.0
Whites 16-19	8,264	205	2.5	7,883	206	2.6	2.5
Black and Others, 16-19	940	209	22.3	795	244	30.7	26.5

Sources: (1) U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume 1, Bulletin 2096;

(2) U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, July, August 1980 and July, August 1981.

(3) U.S. Department of Labor, Employment and Training Report of the President, 1981 and 1982.

substantially smaller impact upon the overall employment level of 20-21 year olds, accounting for only 1 of every 125 persons employed during those two summers.

Overall employment levels of male and female teens (16-19) were raised to a similar degree by the SYEP program.[45] Five percent of employed female teens and 4.6% of employed male teens were enrolled in the summer jobs program during 1980 and 1981. Minority youth were heavily dependent upon the SYEP program for employment during the summers of 1980 and 1981. On average, more than 1 of 4 black teens (16-19 years old) employed during the summer were enrolled in the SYEP program. White teens are far less dependent on the summer jobs program for employment during the summer. On average, only 1 of 40 white teens (16-19) with jobs during the summers of 1980 and 1981 were employed by the SYEP program.

The above analysis was focused upon the shares of total summer employment of major youth subgroups that were attributable to the SYEP program. We can also examine the role that SYEP programs play in expanding employment opportunities for these same youth subgroups between the spring and summer. Data on spring-summer employment changes and SYEP enrollees are presented in Table 6-9.

The findings presented in Table 6-9 indicate quite clearly that the SYEP program plays an extraordinarily important role in expanding summer employment opportunities for most youth subgroups, with particularly large impacts on younger enrollees and minority youth. During the summers of 1980 and 1981, nearly 44% of all gains in employment registered by 14-15 year olds were attributable to the SYEP program. Among 16-19 year olds, SYEP work experience slots accounted for nearly 1 of every 4 additional jobs obtained during the summer months. Among 20-21 year olds, the share of summer job growth due to SYEP was slightly less than 8 percent.

TABLE 6-9 SYEP Enrollees and Changes in Youth Employment Levels Between the Spring and Summer of 1980 and 1981, by Selected Youth Subgroup

	1980			1981			1980-81
Youth Subgroup	(A) Increase in Employment Between Spring and Summer	(B) SYEP Enrollees	(C) SYEP Enrollees as % of Employment Change	(A) Increase in Employment Between Spring and Summer	(B) SYEP Enrollees	(C) SYEP Enrollees as % of Employment Change	SYEP Enrollees as % of Employment Change
14-15	618	279	45.1	628	268	42.6	43.8
16-19	1,880	414	22.0	1,801	451	25.0	23.5
20-21	503	41	8.2	663	48	7.2	7.7
Males, 16-19	1,027	215	20.9	1,024	235	22.9	21.9
Females, 16-19	853	199	23.3	778	216	27.7	25.5
Whites, 16-19	1,576	205	13.0	1,470	206	14.0	13.5
Black and Other, 16-19	304	209	68.8	208	245	117.5	93.1

Sources: (1) U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume I, Bulletin 2096;

(2) U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, August/September 1980, August/September 1981.

(3) U.S. Department of Labor, Employment and Training Report of the President, 1981 and 1982.

SYEP jobs accounted for a similar share of summer employment growth among male and female teens in the 16-19 year old category. Approximately 22% of all additional jobs obtained by male teens (16-19) were related to the SYEP program. For females, this ratio was nearly 26%. Minority youth tend to be critically dependent on SYEP job opportunities during the summer. More than 90% of the increase in minority youth (16-19) employment during the summers of 1980 and 1981 was attributable to the summer jobs program. During the summer of 1981, available evidence suggests that the SYEP program actually prevented black teenage employment from declining during the summer. All of the net increase in black teenage employment between the spring and summer of 1981 was brought about by the SYEP program.[46]

The above discussions have highlighted the important role played by the SYEP program in expanding employment opportunities for minority youths during the summer months. The summer jobs program not only succeeds in substantially raising the employment/population (E/P) ratio for minority youths, but also helps reduce the large gap that exists between the E/P ratios of white and black teens. To illustrate the contribution that the summer jobs program has made to reducing this disparity, Table 6-10 presents data on the employment/population ratio of white and black teens (16-19) during the spring and summer of 1981.

TABLE 6-10 Employment/Population Ratios of White and Black Teens (16-19) During the Spring and Summer of 1981

Youth Subgroup	(A) E/P Ratio in Spring	(B) E/P Ratio in Summer	(C) Change in E/P Ratio
White teens	46.7%	59.0%	+12.3
Black and Other teens	23.4%	31.5%	+8.1
Black/White	50.1%	53.5%	

Source: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume 1, Bulletin 2096.

During the spring (March-May) of 1981, nearly 47% of all white teens (16-19) in the civilian noninstitutional population of the nation were employed. The E/P ratio of white teens was twice as high as that of black and other minorities (23.4%) during this time period. During the summer, the teenage labor force swells as schools close, and the employment/population ratio of teens rises to the extent that new entrants succeed in obtaining employment.[47] Between the spring and summer of 1981, the E/P ratio increased by 8.1 percentage points to 31.5%. As revealed in the preceding discussion, all of the net increase in black teen employment during the summer of 1981 appears to have been attributable to the SYEP program. The relative size of the gap between the E/P ratios of white and black teens was narrowed somewhat during the summer, with the black E/P ratio rising from 50% of that of white teens to nearly 54%. The contribution of the summer jobs program to this result can be comprehended most clearly by examining the change in the gap between the E/P ratios of these two groups during the fall of 1981. For the September-November 1981 period, the E/P ratios of white and black teens (16-19) were 46.0% and 21.0%, respectively. During the fall, the E/P ratio of black and other teens was equivalent to only 44% of that of white teens, an extraordinarily sharp deterioration in such a short period of time. Together with the decline in national economic activity, the loss of the subsidized jobs provided to minority youth under SYEP was a key factor influencing this rapid deterioration in the employment status of minority teens throughout the nation.[48]

The SYEP program has proven itself to be an effective device for increasing employment opportunities for economically disadvantaged youths during the summer months and for reducing major employment disparities between white and black teens during the summer.[49] During the past year, the employment/population ratio of black teens has declined to a new post-World War II low. In recent testimony before the Joint Economic Committee of the Congress, the Commissioner of the Bureau of Labor Statistics, Janet Norwood, identified the black youth employment problem as one of the nation's most important social problems.[50] Long-term solutions to this problem will require a concerted series of efforts in the educational, employment and training fields as well as expanded public-private partnerships in local communities throughout the nation.[51] During the remainder of the 1980's, the summer jobs program should be viewed by the Congress, the U.S. Department of Labor, and state and local Service Delivery Agents under the Job Training Partnership Act as an important vehicle for providing both short-term employment opportunities for disadvantaged youth, many of whom have no other employment alternatives, and a range of educational and training services to improve the long-run employability of summer program participants.[52] Effectively utilizing SYEP monies to achieve these dual purposes undoubtedly will pose a major challenge to the Service Delivery Agents under JTPA throughout the remainder of the decade.

Table 6-11 presents some additional background information on summer youth employment indicators, 1977-1982.

TABLE 6-11

Summer Youth Employment, 1977-1982
July Employment Data in Percents for 16-21 Year Old Youth by Sex and Race
(Not Seasonally Adjusted)

Employment Status, Sex and Race	1977	1978	1979	1980	1981	1982
TOTAL						
(1) Armed Services (% of Non-institutional Population	02.9	02.8	02.7	02.8	02.8	02.8
(2) Civilian Participation Rate	72.6	74.6	74.3	73.9	72.1	71.3
(3) Employment-Population Ratio	59.6	61.9	62.5	60.1	58.9	55.7
(4) Unemployment Rate	15.4	14.6	13.5	16.5	16.0	19.7
MEN						
(1) Armed Services (% of Non-institutional Population	05.4	05.2	04.9	05.0	05.0	05.0
(2) Civilian Participation Rate	80.9	81.8	81.5	80.7	78.1	76.0
(3) Employment-Population Ratio	65.1	67.0	67.4	63.7	62.7	57.7
(4) Unemployment Rate	14.9	13.5	13.0	17.0	15.5	20.1
WOMEN						
(1) Armed Services (% of Non-institutional Population	-	-	-	-	-	-
(2) Civilian Participation Rate	64.5	67.7	67.3	67.4	66.2	66.7
(3) Employment-Population Ratio	54.1	56.7	57.5	56.4	55.0	53.5
(4) Unemployment Rate	15.9	15.8	14.2	15.9	16.5	19.3
WHITE						
(1) Armed Services (% of Non-institutional Population	02.8	02.7	02.5	02.5	02.5	02.6
(2) Civilian Population Rate	75.0	76.7	76.9	76.3	75.0	73.8
(3) Employment-Population Ratio	63.7	65.8	66.5	64.0	63.3	59.7
(4) Unemployment Rate	12.6	11.8	11.4	14.0	13.3	16.9
BLACK						
(1) Armed Services (% of Non-institutional Population	03.6	03.8	04.0	04.3	04.3	04.0
(2) Civilian Participation Rate	59.1	63.1	60.4	61.8	57.4	58.1
(3) Employment-Population Ratio	35.6	39.8	40.0	38.0	34.8	33.3
(4) Unemployment Rate	37.5	34.4	31.1	35.7	36.7	40.2

Notes: Civilian employment is percent of total non-institutional population (including Armed Services).
Pre-1982 data have been revised to reflect 1980 census population controls.

Source: Bureau of Labor Statistics, August, 1981.

2.0 Profile of Summer Programs -- Public and Private

In 1981, 766,400 youth took part in the public Summer Youth Employment Programs at a cost of about 792.6 million dollars. The typical SYEP participant during the CETA years was paid approximately $583 (1978) for 220 hours and some $35 in fringe benefits. The typical plan provided 25 to 32 paid hours per week for a 9 to 10 week period.

Fully 79% of program costs each summer flowed through to the wages, allowances, and fringes of the participants leaving 13% of program costs for program administration and 8% for training and other services. This record demonstrates effective delivery of income to the participants, but it also shows how little in the way of enrichment services is normally provided; only 7.5% of 1977's summer's participants, for example, engaged in projects emphasizing training or career information.

The flavor of the many thousands of summer SYEP projects each summer can be suggested by describing several which MDC, Inc. singled out as especially unique and successful during the CETA SYEP program in 1978:

- In Dallas, youthful offenders performed yard, upkeep, and repair chores for old or disabled homeowners. The youths' regular probation officers put in up to 30 extra hours a week--without pay.
- At a community college in Colorado Springs, participants received eight weeks of "vocational exploration" in the classroom, combined with on-the-job work experience. Students then chose two occupations to explore from the ten offered, and spent four weeks gaining experience in each, both on-the-job at summer youth employment work-sites and in the classroom.
- At predominantly black Savannah State College, participants received an intensive exposure to the nuts-and-bolts of getting and holding a regular job: filling out applications, grooming, and job interviews.

Such enriched public programs providing knowledge of work opportunities and/or training steadily gained prominence in the SYEP program mix from 1977 to 1980. Nonetheless, enriched services were provided to only a small minority of the participants: then as now, SYEP is "primarily an earning rather than a learning experience."

One rather large-scale exception to this finding and a good example of an enriched summer program is VEPS - Vocational Exploration in the Private Sector. VEPS was co-sponsored by business and labor groups throughout the late 1970's and operated as a component of the summer program. VEPS sought to acquaint young people with and motivate them for the range of opportunities that exist in the private sector.* Work, counseling, and occupational information were all provided in a private sector work setting. Under direct national funding 135 local programs served some 6700 youth in 1978, while some prime sponsors introduced VEPS components in their regular programs.

Our description of efforts to increase the employment of disadvantaged youth during the summer months would be incomplete without mention of the recent "corporate partnership" programs. Consistent with the current administration's goal of involving the private sector in a more substantive way in employment and training policy, these partnership programs are organized and operated by the private sector either in addition to, or in cooperation with, the formula-funded SYEP programs. Although similar initiatives have been part of national employment and training policy in the past, the recent experience of public/private cooperative efforts acquire special significance due to the legislatively mandated role of the private sector under the Jobs Training Partnership Act of 1982.

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* Brian Nedwek and Allan Tomey, Process and Impact Evaluation of the Summer 1978 Vocational Exploration Program, Office of Youth Programs Report Number 28, February 1979.

In the summer of 1982, corporate partnership programs were organized in a number of large cities. Although the guiding force behind the partnership programs was most usually the local Private Industry Council, the programs were also spearheaded by local public manpower agencies, by non-profit community youth groups and by consortia of corporations. Regardless of the institution responsible for coordinating the program, all of the projects operated during the summer of 1982 were genuine "public-private" partnerships. That is, they all involved participation by private corporations, public agencies and non-profit community interest groups. In New York City, for example, the partnership program was coordinated by a large corporation (Citicorp in 1982 and Phillip Morris, Inc. in 1983), but included participation by the Board of Education, the City and State Employment Service, the Private Industry Council, the New York Chamber of Commerce, private foundations and community and civic organizations.

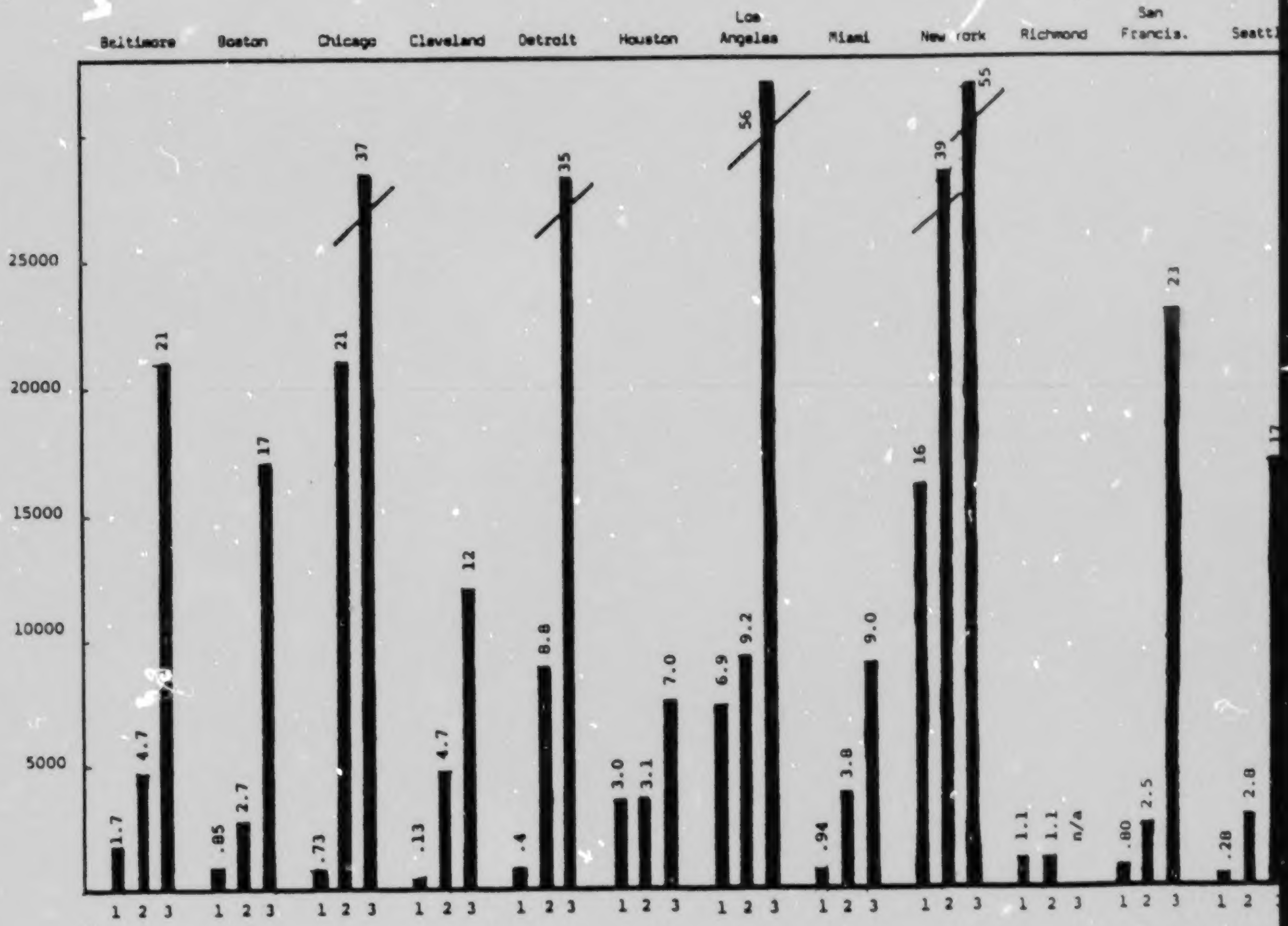
In addition to variations in administrative responsibility and leadership, the 1982 partnership summer programs also varied widely in design. First, while some programs involved private corporations as employers of disadvantaged youth, other programs merely sought cash contributions from private firms to fund public sector summer jobs. Second, while some programs placed participants in existing public and private sector jobs, other programs developed special projects for program youth. In Pittsburgh, for example, program participants were involved in a special project aimed at cleaning up over 1000 lots owned by the city. Third, while some programs simply offered jobs, others attempted to enrich the work experience through counseling and training services. For example, in Houston, the local school system established five centers in the city where job search training sessions were conducted for program youth.

Much of the rationale for the development of partnership programs stems from some longstanding criticisms of the standard CETA summer youth employment program. In particular, critics have alleged that the CETA summer youth program merely provides makework experiences for youth in low-skill jobs that provide neither training nor a meaningful introduction to the labor market. As noted previously, the standard summer CETA program was an important source of income for low-income youth. Also, over the past few years, the public sector placements provided by the CETA program have been enriched, as in VEPS and a number of special demonstration projects to be described later in this chapter. Nonetheless, "enriched" projects offering counseling, training, education, transition and placement services were a small part of overall CETA summer programs.

Did these partnership programs differ substantially from standard CETA formula-funded government summer youth employment programs? As originally intended, the major difference was to be the emphasis on access to private sector jobs in the partnership programs. In addition, there was hope that the participating businesses would provide jobs that involved the acquisition of useful skills, or would provide some direct training. In fact, based on the experience of partnership programs in the summer of 1982, the majority of the jobs offered were of the same type and quality as jobs traditionally developed for the formula-funded summer program.* Most were service, maintenance, or clerical jobs that required no special skills and provided little training. Furthermore, as reported above, some of the partnership programs only solicited cash contributions from private firms to support traditional public sector jobs from youth.

See Footnote 1, Figure 1.

FIGURE 1 - Number of Youths in Partnership Programs[1] and SYEP,[2] Summer 1982, and Number of Youths, Aged 16-19, Unemployed[3] in August 1981.



Sources: [1]Summer Youth Employment: The Corporate Experience, by Leonard Lund and Nathan Weber, The Conference Board, 1983.

[2]Regional Offices, ETA.

[3]BLS Statistics.

Perhaps the most striking difference between the partnership programs operated in summer 1982 and the CETA summer program for the same year lies in the respective number of youth served. In almost every city operating a partnership program, the number of youths provided jobs by the partnership program was far less than the number in the standard CETA program. Figure 1 compares the enrollments for partnership programs and CETA summer programs in twelve cities that operated both.

The experience of corporate partnership programs in the summer of 1982 provide some guidance for future initiatives in this area. The relatively low number of private sector jobs provided by these programs demonstrates that the public sector programs can not be fully replaced by partnership projects. This experience should restrain advocates from suggesting that the private sector can replace the public sector in running work programs in the summer months. On the positive side, the reaction both of private sector firms participating and youth in the programs was overwhelmingly favorable. Most businesses that participated in the summer of 1982 have expressed a willingness to take part again this year. Furthermore, after one summer of experience, there is a growing recognition in the areas operating partnership programs of the need for enrichment services to complement work placements. The associations between private businesses and public sector agencies have continued and grown; start up for the summer of 1983 is expected to be much smoother than last year. Finally, some partnership programs, such as the Boston Compact, have recognized the need to sustain a year-round effort that follows program youth back to school in the fall with career counseling, remedial education, part-time employment and placement services upon graduation.

3.0 From "Fire Insurance" to Quality Control: Monitoring the Public Summer Program

The SYEP program has been subject to a growing number of criticisms during the past years. These criticisms have been directed at the size of the program, its targeting features, particularly the delivery of services to 14-15 year olds, the design and management of the program, the value of the work activities performed by youths, and its perceived failure to generate long-lasting impacts on the employability, educational status, and work attitudes of SYEP youth participants.

For years, the Summer Youth Program was accepted by Congress, the administration and the public as an income transfer program aimed at keeping economically disadvantaged youth occupied and off the streets; "fire insurance" was its frequent description. The 1979 Summer Youth Employment Program (SYEP), which employed nearly 820,000 economically disadvantaged youth throughout the nation in an estimated 165,000 worksites, was the first year of close monitoring by the Department of Labor.* The intensive monitoring effort was under-

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* A comprehensive series of papers and reports cover the purposes, nature and findings of these efforts.

See: (i) Office of Youth Programs, Compilation of Reports on the 1978 Summer Youth Employment Program, Youth Knowledge Development Report 3.5, U.S. Government Printing Office, Washington, D.C., 1980.

(ii) Office of Youth Programs, Improving the Design and Operation of the Summer Program, Vol. I and II, Youth Knowledge Development Reports 8.3 and 8.4, U.S. Government Printing Office, Washington, D.C., 1981.

(iii) Office of Youth Programs, Improving the Summer Program in Large Cities: A Report on the Special Monitoring Effort for the Summer Youth Employment Program in Eleven Cities, Washington, D.C., 1980.

(iv) Office of Youth Programs, Federal Administrative Actions to taken for the following reasons:

- Three-quarters of a billion dollars was spent on the program.
- In 1978, the General Accounting Office (GAO) issued a report which stated that one-half of the program participants were not productively employed and that the summer program was nothing more than "fun and games."* The controversy was further fanned by the "60 Minutes" television program.

The monitoring effort was carried out at the following levels:

- Under the auspices of the Office of the Inspector General (OIG) of the DOL, 2230 worksites were reviewed by OIG auditors and 13 CPA firms.
- DOL regional offices conducted 2047 monitoring visits to prime sponsors, 7615 worksite visits and interviewed 20,000 participants.
- Prime sponsors conducted 332,000 worksite visits (an average of more than 2 per worksite).
- The Office of Youth Programs (OYP) directed a Special Monitoring Effort in 11 large cities. Over 1200 worksite visits and 3800 participant interviews were conducted.

These monitoring efforts produced substantial documented results. During the summer:

- Corrective actions were taken by prime sponsors at one-fifth of the worksites.

Improve the 1980 Summer Youth Employment Programs, Washington, D.C., 1980.

(v) Institute for Urban Research, Morgan State University, Analysis of SYEP Monitoring Data for 1979 and 1980, Preliminary Report submitted to Office of Youth Programs, Washington, D.C., 1981.

* General Accounting Office, More Effective Management Is Needed to Improve the Quality of the Summer Youth Employment Program, Washington, D.C., March 1979.

- Over 10,000 youth were moved to different sites.
- There was a drop in the range of inadequate worksites between the summers of 1978 and 1979 from between 30-50% to 5-15%.
- The Office of the Inspector General found that only 5% of the worksites did not have either enough work or adequate supervision.*

The monitoring efforts of the 1979 Summer Youth Employment Program have illustrated several important lessons of interest to the new era of largely state-local monitored summer jobs programs under JTPA. These are:

1. Nearly 84% of the 2,230 monitored worksites in 1979 visited were characterized as providing participants with employment opportunities in which "meaningful and sufficient work was performed, work rules were enforced, and participants were adequately supervised," The summer jobs program then isn't all make work, but, perhaps, 15-20% of the sites were found to be inadequate. This finding was reinforced by DOL regional office field visits covering 7615 different SYEP sites in 1979.**
2. The only way to improve the quality of work experience programs is to look at the worksites while they are operating. Evaluations after the fact by researchers or program officials are unlikely to be helpful. Monitoring is an administrative function that is crucial to the implementation of a work experience program.

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* U.S. Department of Labor, Office of the Inspector General, Report on Visits to 2,230 Worksites of Summer Youth Employment Programs Performed by the Office of Inspector General, January 1980.

**Office of Youth Programs, A Report on Monitoring and Corrective Action Efforts in the 1979 Summer Youth Employment Program, Washington, D.C., 1980.

3. Political and public pressure, combined with dramatically expanded government intervention, provided prime sponsors with a clear sense of priorities and direction. One lesson learned is that the CETA system could clearly respond to such pressures. Another lesson is that the outside pressures are needed from time to time. This provides a definite role for outside "watchdog" organizations and a strong central role. The latter, in particular, must be considered in light of JTPA's emphasis on state-local discretion.

4. The SYEP was "administered" in 1979 for the first time. Standardized monitoring instruments were developed for each monitoring level (prime sponsor, regional office, Office of Youth Programs), procedures were established for immediate action, and responsibilities were clearly delineated. These developments point to the need for appropriate administrative tools as well as "good intentions" to manage effectively a large, seasonal, decentralized program.

5. The intensive monitoring effort allowed for the fast "clean-up" of the program during the summer and created the data base for future improvements and program refinements. Data gathered by Regional Offices of the Department of Labor indicate that the incidence of worksite problems increases with prime sponsor size. Moreover, worksite problems are strongly correlated with the size of the worksite, the degree of supervision, and the training of the staff. (The incidence of insufficient work was 9 times greater at sites with 13 or more participants than sites with 5 or less; poor supervision was 8 times as frequent at the large sites as at the small ones.) Appropriate standards can and should be established for worksites.

6. The SYEP program in most instances is not makework and is not costly from a social perspective. Support for this finding is described in detail below.

Since its inception, the summer jobs program has been designed to achieve a number of different objectives. In addition to providing employment opportunities and earnings to disadvantaged youth during the summer months, the program was intended to generate a flow of useful services to the residents of the communities in which they were employed. The value of the work output of summer program participants has been basically ignored by most analysts, including proponents of summer youth programs who have often resorted to justifying such programs on the basis of their impacts on supplementing the incomes of poor families and reducing urban unrest during the summer months.

As noted earlier, summer jobs programs have been subject to the criticism that many program enrollees are engaged in activities that either inherently will produce little of value to society or are so inefficiently organized and managed that they will yield little net output. Given the large scale nature of the summer youth program, efforts to improve the output of participants deserve a major emphasis. During the summer of 1981, the 766,400 SYEP participants represented .75% of the total number of employed persons in the nation, or 1 in every 133 workers. If summer jobs programs are effectively planned and managed, the productivity of participants can be improved, and the value of the services provided by participants can offset a major portion of the costs involved in administering the summer jobs program. The bulk of SYEP expenditures support wages, allowances, and fringe benefits of participants. For example, during the summer of 1981, 83.3% of total SYEP expenditures were accounted or by allowances, wages, and fringe benefits paid to participants.

In order to improve our knowledge of the value of the work output produced by SYEP program participants and the factors responsible for variations in the output of different summer projects, the Department of Labor's Youth Programs commissioned a study of SYEP work output valuation. Output valuation studies have been undertaken for other youth programs as well, including Job Corps, Supported work, and Ventures in Community Improvement. The research study was conducted by Mathematica Policy Research of Princeton, NJ.* The findings of their analysis reveal the value of the output produced by participants enrolled in the summer youth employment program can significantly offset the costs of operating these programs.

The Mathematica study of the value of work output was based upon a sample of 78 SYEP programs operated by 8 different CETA prime sponsors during 1979. The Mathematica researchers obtained their estimates of the value of output produced by participants by examining the price that would have had to be paid to an alternative provider (other than a SYEP participant) to produce the output actually generated by SYEP enrollees. This measure is called "the alternative supply price." The alternative supply price was measured primarily through the use of an independent appraiser or contractor familiar with the work undertaken at each particular project. The Mathematica authors obtained estimates of alternative supply prices from each work site and adjusted them in a somewhat subjective manner for quality and productivity differences when appropriate. The estimated value of the average participant supply price was

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* Source: A Study of the Value of Output Participants in the Summer Youth Employment Program by Mathematica Policy Research, 1979 to DOL.

$2.42. To provide the average hourly output generated by a SYEP participant, an alternative supplier would have charged $2.42. The actual value of the wages and fringes that were paid to the average SYEP participant was $3.05 per hour. Subtracting the value of actual hourly wages and fringes from the participant supply price ($3.05-2.42) leaves an average net wage expenditure of 63¢ per hour. This net wage expenditure is a measure of the extent to which the output produced by SYEP participants covered the actual hourly wage expenditures of the program. The findings indicate that the participant supply price covered 80% of the SYEP wage and fringes bill.

Recent findings from a study of the 1979 summer youth program conducted by A.L. Nellum (described in detail in a later section) suggest that 80% of economically disadvantaged youth would not be employed in the absence of the SYEP program. Assuming for the moment that those who were employed in unsubsidized jobs earned $3.50 per hour, the value of the hourly output that the disadvantaged youth population would have produced in the absence of SYEP would be equal to only $3.05 x .2 or 61¢ per hour. In reality, non-participating eligible youth who obtained unsubsidized employment during the summer appeared to have obtained weekly earnings that were 30% less than those of SYEP enrollees. Given the lower earnings estimate, the value of the output that would have been produced by the SYEP disadvantaged population in the absence of the program was only 61¢ x .7 or 43¢ per hour. In short, if the findings of the Mathematica and Nellum studies are representative of SYEP programs nationally, the output produced by the typical SYEP program is equivalent to 3.8 to 5.6 times the value of the output that would have been produced in the absence of the program. The social cost of employing economically disadvantaged SYEP enrollees is quite low and appears to be substantially offset by the value of services generated.

The above estimations examined the average value of output and average net wage expenditures for all local sites selected for participation in the study. The authors, however, found rather large variations among sites in the size of the hourly net wage expenditure. For example, the Columbus, Ohio and Rhode Island Balance of State prime sponsors were found to have net wage expenditures of only 26¢ and 28¢ per hour, respectively. On the other hand, the New York City and Washington, DC prime sponsors had relatively high net wage expenditures of $1.54 and $1.15 per hour, respectively. The primary factor influencing these differences was that of productivity differentials of enrollees among sites. The relative productivity of enrollees in Columbus, Ohio was nearly double that of SYEP enrollees in New York City. The authors noted that the low productivity of SYEP enrollees in New York City was not attributable to lower innate productivities of individual participants. Instead, the poor organization and staffing of work sites in these areas resulted in substantially diminished productivity.

The authors also found that more intensive supervision is related to higher relative productivity of participants and decreased net wage expenditures per hour. These findings indicate that well organized and managed work sites that effectively utilize SYEP enrollees will result in the production of a flow of services to local communities whose value is capable of covering the vast bulk of SYEP program wages and fringes. Employing disadvantaged youth and producing valuable community services can go hand in hand. Such desirable outcomes will, however, not be generated automatically. Selecting proper work sites, providing adequate supervision, and matching participants job desires and abilities with those of work sites will enhance the future value of summer program work output. Hopefully, administrators and managers of youth programs under JTPA will put into practice the important lessons learned from past

The CETA Summer Youth Employment Program clearly showed that, under pressure from the outside, the employment and training system can respond to and correct problems, given enough financial resources and technical assistance. At this writing, it is too early to suggest whether JTPA programs will provide the necessary oversight and management to reduce the problems of the past. Overall, the findings of monitoring activities show a substantial improvement in the quality of the worksites is the SYEP program. Whether states in partnership with the federal government under JTPA will invest in this type of monitoring effort is a central question for summer youth programs in the eighties. But are summer programs worth supporting at all? The previous section described the cost effectiveness of summer programs. The next section describes the effects of the Summer Youth Employment Program on participating youth.

4.0 Effects of the SYEP Program

In spite of the long history and substantial expenditures associated with summer youth employment programs, few careful evaluations of the impacts of these programs on participants' post-program labor market and educational experiences have been conducted.* The Office of Youth Programs of the Department of Labor attempted to remedy this deficiency by funding a series of summer program evaluations.**

The major evaluation of the regular formula funded 1979 summer youth program was conducted for the Office of Youth Programs by A.L. Nellum & Associates.*** The primary purpose of the study was to evaluate the impact of SYEP participation of the post-program, work-related behavior and attitudes of economically disadvantaged youth. The Nellum study assessed the net impact of the 1979 SYEP program in 8 sites across the country by collecting and analyzing information on a sample of non-participants as well as on youth who had participated in the program. In most cases, the sample of non-participants was drawn from the pool of applicants to the program who were not accepted for reasons other than eligibility (from surplus applicants, for example).* Approximately 900 SYEP participants were included in the analysis.

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* Among the efforts undertaken to estimate the schooling and employment impacts of participation in the Neighborhood Youth Corps program were the following:

- (i) Gerald G. Somers and Ernst W. Stromsdorfer, "A Cost-Effectiveness Analysis of In-School and Summer Neighborhood Youth Corps: A Nationwide Evaluation," Journal of Human Resources, Vol. 7, No. 4, pp. 446-459;
- (ii) Robert S. Smith and Hugh M. Pitcher, The Neighborhood Youth Corps: An Impact Evaluation, Technical Analysis Paper #9, Office of Evaluation, Office of the Assistant Secretary for Policy and Evaluation and Research, U.S. Department of Labor, Washington, D.C., September 1973;
- (iii) Gerald D. Robin, "An Assessment of the In-Public School Neighborhood Youth Corps Project in Cincinnati and Detroit, with Special Reference to Summer Only and Year-Round Enrollees," U.S. Department of Labor, Manpower Administration, Washington, D.C., February 1969.

** Office of Youth Programs, The Knowledge Development Agenda, Youth Knowledge Development Report 1.1, U.S. Government Printing Office, Washington, D.C., 1980.

***A.L. Nellum and Associates, Impacts of SYEP Participation on Work-Related Behavior and Attitudes of Disadvantaged Youth, Final Report to Office of Youth Programs, U.S. Department of Labor, Washington, D.C., 1980.

Another evaluation focused on the changes in attitudes of participants in the regular 1978 summer youth program and of participants in the 1978 summer Vocational Explorations Programs (VEPS)** The Center for Urban Problems at St. Louis University gave youth tests before and after each program to measure changes in work-related attitudes, social attitudes, attitudes toward self, and knowledge of the world of work.

The next sections examine three aspects of the SYEP experience: in-program experience; education and employment effects; and effects on attitudes and knowledge areas.

4.1 SYEP Program Experience

The first question of interest from the Nellum study of SYEP concerns the program experience of the participants. Information on the program performance of the participants was collected through questions on time in the program, ratings of services received, perceptions of how helpful the program was, work-related expectations, and counselor and work supervisor ratings of participants' work-related attitudes and behaviors.

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* Due to problems of non-randomness in the selection of members of the comparison group, several sites were excluded from the analysis of net program impacts.

**Brian Nedwek and Allan Tomey, Process and Impact Evaluation of the Summer 1978 Vocational Exploration Program, Office of Youth Programs Report Number 28, February 1979.

The experimental group in the eight sites in 1978 participated in the program, on average, a total of 216 hours and received $619 in total wages or $2.88 an hour. As noted in table 6-12, youth in Kansas City and Orange County participated in the program more hours than the participants in other program sites. Participants in Washington, D.C., New York, and Miami participated the fewest number of hours on average (178, 167, and 166, respectively).

TABLE 6-12

AVERAGE PROGRAM HOURS AND WAGES

Site	Hours	Total Wages	Hourly Wage
Kansas City	273	$784	$2.87
Columbus	207	598	2.88
Portland	213	606	2.90
Orange County	273	796	2.92
Washington, D.C.	178	499	2.88
New York	167	484	2.91
Rhode Island	235	671	2.87
Miami	166	477	2.89
Average	216	619	2.88

SOURCE: A. L. Nellum and Associates, Op Cit., Table 14.

Some of the inter-site variation with respect to total hours of program participation is related to differences in program design (e.g., weekly hours per youth, wage rate, number of weeks) between sites. However, age was also found to be a correlate of total hours of participation in a statistical procedure (step-wise regression of total hours regressed on sex, race, labor force status, family status, a battery of pre-tests and a reading test). Older participants were found to have participated more hours in the program, as did those with previous CETA experience and higher reading scores (controlling for age). The highest grade completed did not attain statistical significance until controlling for age, indicating the interaction between education and age. Thus, lower educational status is related to increased program hours, but only for participants of the same age. Not too much should be made of this finding, however, because while the proportion of variance explained by these four variables is statistically significant ($p < .0001$), their overall contribution was quite small (2.6 percent). This finding suggests that differences in program hours are primarily determined by program design and/or other unmeasured variables.

Program participants were asked about the types of activities they took part in at the completion of the program. The activity most frequently cited (multiple responses were permitted) was working on a job. Of the 763 participants that responded to this question, 83 percent reported working on a job. Again, New York, Washington, D.C., and Miami had the fewest number of youth reporting this activity (73.1, 73.6, and 76.7 percent, respectively), while Rhode Island had the most (90.6 percent). Other activities that were frequently mentioned included job counseling and vocational skills training (by about 33 percent and 25 percent of the participants, respectively).

Participants were also asked to indicate which two services they considered the most helpful. Responses to this question (from those who reported receiving the service) indicated considerable congruence between the same three services that were ranked highest in incidence with those regarded by the participants as being the most helpful. Eighty percent of those working on a job indicated that it was one of the most helpful, while both job counseling and vocational skills training were rated as one of the two most helpful services by two-thirds of the participants receiving them. Only about half of those receiving personal counseling, job referral, or remedial education regarded these services as being helpful.

Finally, participants (only) were asked a series of questions related to the success they expected to attain on a future job, and how adequate their skills would be. These questions were asked at the beginning of the program and again at program completion. In general, there were significant changes in the perceptions of participants with respect to: (1) their ability to get the job they want; (2) their skills to do the job they got; (3) their ability to get promoted; and (4) whether SYEP helps a person feel more able to make it on a job in the future.

4.2 Employment and Education Impacts Related to SYEP Program Experience

What impact did the program have on the employment and education experiences of program participants? First, consider what happens to low income youth during the summer months. The Nellum study offers some evidence on this issue based on data from a small subsample of participants and non-participants. Nellum collected detailed information on the use of time by 15 participants and 15 non-participants in each of the 8 sites. The results showed that only 20% of the non-participants were able to obtain employment during the summer months. This finding indicates that SYEP does not compete in a substantial manner with private firms in the hiring of low income youth. In the absence of the program, only a small fraction of SYEP participants would have obtained unsubsidized employment during the summer months.

The next set of questions concern the effects of participating in SYEP on post-SYEP school enrollment, employment, and criminal activity. The Nellum study reported results on all of these outcomes. In assessing the effects on the rate at which youth returned to school, the Nellum study found that the percentages enrolled in school 3 months after SYEP was slightly higher among participants than among non-participants (94% to 91%). This difference in actual enrollment exceeded the slight differences in the percentage who said at the beginning of SYEP that they planned to return to school. (See Tables 6-13 and 6-14).

Additional analysis also revealed that these effects were not uniform across all groups, but rather that the SYEP had its greatest effect in reducing the dropout rates for mildly disadvantaged, older (i.e., 17 years old) black males. Drop-out rates were also reduced for severely disadvantaged 16 year old black males, and for 17 year old females regardless of race that were significantly advantaged, though these effects only approached significance. In general, the program was ineffective in reducing the dropout rates of younger (15-16 years old) white males who were mildly disadvantaged. Finally, in an unpublished reanalysis of the Nellum data conducted for the authors, the previous results were verified on a smaller sample, adjusting for pre-program differences between treatment and comparison groups. The reanalysis found that 87% of participants were in school or training at 3 months post-program compared to 84% among the controls. The difference was significant at p=<.10.

Because the overwhelming majority of SYEP participants were enrolled in school at the time of the follow-up survey, the proportions in our reanalysis occupying full-time employment positions three months after program completion were relatively low (12%). No significant difference appeared in the percentage of participants and non-participants holding full-time jobs.

In keeping with the education goals of SYEP, it is much more likely that a youth would be employed part-time than full-time. This is borne out by the data (see Table 6-15) as a significantly higher proportion of the participants, as compared to non-participants, were employed part-time (24.5 percent versus 19.0 percent). Significant group differences were also noted, with the program appearing to increase part-time employment (in the subsequent school year) for 16 year old, severely disadvantaged black males and, to a lesser extent, 15 year old mildly advantaged black females. The program appeared to have no impact on severely disadvantaged 15 year old females, regardless of race.

TABLE 6-13

SYEP YOUTH WHO INTEND TO RETURN TO SCHOOL
(Percentages)

Group	Intend to Return to School		
	Yes	No	Total
Participants	716 (94.8)	39 (5.2)	755 (50.8)
Non-participants	680 (93.2)	50 (6.8)	730 (49.2)
Total	1396 (94.0)	89 (6.0)	1485 (100.0)

SOURCE: A. L. Nellum and Associates, Op Cit., Table 27

NOTE: Corrected Chi-square = 1.58 p = .2087

TABLE 6-14

SYEP YOUTH ENROLLED IN SCHOOL AT FOLLOW-UP
(Percentages)

Group	Enrolled in School		
	Yes	No	Total
Participants	712 (93.9)	46 (6.1)	758 (54.3)
Non-participants	579 (90.6)	60 (9.4)	639 (45.7)
Total	1291 (92.4)	106 (7.6)	1397 (100.0)

SOURCE: A. L. Nellum and Associates, Op Cit., Table 28

NOTE: Corrected Chi-square = 4.99 p = .026

TABLE 6-15

SYEP YOUTH WORKING PART-TIME AT FOLLOW UP
(Percentages)

Group	Working Part-Time		
	Yes	No	Total
Participants	176 (24.6)	540 (75.4)	716 (55.1)
Non-Participants	111 (19.0)	473 (81.0)	584 (44.9)
Total	287 (22.1)	1013 (77.9)	1300 (100.0)

SOURCE: A. L. Nellum and Associates, Op Cit., Table 33

NOTE: Chi-square (Yates) = 5.49 p = .02

4.3 SYEP's Impacts on Criminal Justice, Attitudes and Knowledge Areas

The youths included in the Nellum study were also asked (both before and after the program) whether they had any trouble with the police in the preceding 3-month period. Comparisons between participants and controls revealed no significant differences in their rates of police contact for either time period.

The effects of the Summer Youth Employment Program on attitudes was another question addressed by the Nellum study and in the St. Louis University study of the VEPS and SYEP summer programs. The results were mixed. The Nellum study indicates that SYEP exerts no positive effects on attitudes. There was no significant change in work attitude and job knowledge test scores between the start and completion of the program for either participants or non-participants. In contrast, the findings from the St. Louis University study indicated that participants in the regular summer program (used as a comparison to VEPS) and in the summer VEPS program experienced improvements in their social and work-related attitudes. While youth in the regular summer program showed less improvement than did youth in VEPS, they still improved their scores on measures of life satisfaction, self-esteem, attitudes toward the world of work, and knowledge of the world of work.

5.0 Effects of Enriched Summer Programs

5.1 Background on the Data Collected

During 1979 and 1980, the Department of Labor's Office of Youth Programs funded a series of enriched summer youth programs designed to test their effects upon the schooling, employment and criminal justice behavior of different subgroups of the youth population. These demonstrations were administered by a wide variety of community-based service delivery agents, including the AFL/CIO's Human Resource Development Institute, Opportunities Industrial Center (OIC), SER, the National Urban League, and RTP, Inc. Each demonstration involved programs run in several sites. Evaluations of the impact of these enriched multi-site summer demonstration programs generally made use of comparisons between participants and youth from comparison or control groups.

Many of the summer projects were required by the U.S. Department of Labor to have both comparison and experimental groups take a standardized set of data collection instruments developed by the Educational Testing Service (ETS).* These instruments were jointly referred to as the Standardized Assessment System (SAS) and included:

- Individual Participant Profile. This instrument measures participant characteristics such as age, race, sex, education, and economic status that are intended for describing the personal and family characteristics of both samples.
- Psychometric Battery. The scales selected are designed for assessing initial work-related attitudes and knowledge areas (vocational

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* For a discussion of the validity and norming procedures used in developing these instruments, see Knowledge Development Report #1.6, The Standard Assessment System, by ETS, the U.S. Department of Labor, 1980.

attitudes, work related attitudes, perception of sex stereotypes, job holding and job seeking skills, self-esteem and job knowledge), as well as changes which occur over time.

- Program Completion Survey. Project completion questionnaires were designed to measure the participants status at the completion of the program, his or her assessment of the program experience, as well as assessments of the participant.
- Project and Process Information Questionnaire. This instrument was used to collect standardized information on each project, describing its qualitative dimensions, and costs.
- Program Follow-Up Survey. Follow-up program questionnaires were designed to provide post-program data on the experiences of participants and controls after termination. They were usually given 3 and 8 months after program completion.

In general, the individual participant profile and the psychometric battery data were collected at the beginning and end of the program from both experimentals and comparison group members. In addition, the program completion survey data was gathered at the end of the program, while the follow-up survey data was collected three and eight months after program termination.

In most instances, analysts working with summer projects in the ETS/SAS system found it necessary to pool data from several sites within one demonstration to analyze post-program differences between the treatment and comparison groups. Otherwise, the cell sizes were too small for reliable analyses. The data base did allow the analysts to use participant profile data collected at the beginning of the program to control for pre-program differences between experimentals and comparisons. In addition, survey attrition patterns could be examined to gauge the impacts of the various treatments.

Only some of the SYEP experimental programs implemented during the summers of 1979-1980 are included in the following review. The ones selected were picked on the basis of the data being reasonably complete to carry out a reliable summary of findings. In addition, an effort was made to select projects which had reasonably large samples to support the analysis and that represented a variety of different program treatments. Since the summer demonstration sites are not a random sample of programs across the United States, caution must be exercised in trying to generalize the findings.

Caution is recommended for several other reasons. First, the non-random procedures for selecting comparison groups in most of the demonstrations reviewed below resulted in far from optimal research designs. Second, even if a group of youth are selected by random procedures, there is the problem of selection bias. There may be informational, motivational or other unmeasured differences between the groups. Third, attrition in sample sizes over time is a problem that most longitudinal studies encounter. Further, the time period selected for observation is a very important decision that can mask short-term, intermediate, or long-term effects. None of the preceding problems are unique to the summer demonstrations, but they do serve as a reminder about the usefulness of generalization beyond the knowledge base. On the positive side, most of these limitations were known to the evaluators, procedures were undertaken by at least one key evaluator to compensate for these threats to validity, and finally, these demonstrations are all there are in terms of organized, systematic information about enriched summer programs.

5.2 Descriptions of Enriched Summer Programs

The 1979 summer Career Exploration Program that was operated by Opportunities Industrialization Centers of America (OIC) was designed to serve the employment and training needs of 16-21 year old high school dropouts, potential dropouts and juvenile offenders from the economically disadvantaged youth population.* Twenty-five percent of the participants were referred by the criminal justice system. The services were to assist these youth in clarifying their occupational interests and goals and to provide them with an opportunity to explore and experience alternative career options. Program components included classroom activities, on-site vocational exposure, and follow-up services.

The OIC career exploration program operated in seven sites for ten weeks during the summer of 1979. In order to allow estimates to be made of the net impact of CEP participation, eligible youth were assigned to either the program or to a control group. Approximately 1850 participants and 860 controls were included in the sample used to evaluate the effects of this program. The assignment procedures were determined by local practitioners who used random assignment procedures "as much as possible."

The Recruitment and Training Program, Inc. (RTP) operated a variation of the Summer Career Exploration Program in four sites during the summer of 1979 and 1980. The primary objective of this program was to provide employment and employability services to approximately 480 16-21 year old disadvantaged youth who are not usually served by the regular summer program (i.e., high school graduates and dropouts) to enable them to achieve a smoother transition into the unsubsidized labor market or to enroll in further school and training programs. Services provided to participants during the ten weeks of the program included personal needs assessment, motivational training, career education, counseling, job referral and placement assistance. There was a comparison group in the RTP study. Reports for the evaluators do not describe the assignment procedures; it is unlikely random assignment procedures were utilized.

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* See: Opportunities Industrialization Centers of America, Inc., The Career Exploration Program Report, submitted to the Office of Youth Programs, Washington, DC 1980. Also, Evaluation of OIA-CEP, 1979 by the Center for Studies in Social Policy, submitted to Office of Youth Programs, Department of Labor, November 1981.

The National Urban League's Summer Occupational Awareness Program (Project SOAP) was designed to test the effectiveness of providing SYEP participants with special career counseling and job placement services upon completion of their summer SYEP work experience.* Project SOAP, which operated in three sites during 1979 and 1980, was targeted upon economically disadvantaged youths who were out-of-school (about 50 percent high school graduates and 50 percent dropouts) and unemployed at the end of their eight weeks' participation in the regular SYEP. About 90 percent of the participants were black and 10% Hispanic. In the research sample, 70% were female and 30% male. Approximately 90 hours of training in the areas of self-assessment, career awareness, career search techniques, and job survival information were provided to the participants of the program. By combining career training, job referral, and placement services, the project aimed at improving the employment and/or schooling outcomes for out-of-school SYEP participants. The research design involved the selection of a comparison group of youth; some sites utilized random assignment procedures.

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* National Urban League, Inc., The Summer Occupational Awareness Program, Submitted to the Office of Youth Programs, Washington, D.C. November 1979 and Final Report, November 1981 (because of a late start in its operations, the program design for the summer 1979 Project SOAP had to be modified. In its first year, Project SOAP provided its participants with services in the fall of 1979 rather than in the summer as initially intended). During its 3 years of operation, SOAP serviced 831 youth in the Urban League affiliates of Atlanta, Chicago, New York, and Portland.

SER-Jobs for Progress, a non-profit Hispanic community-based organization, administered a 1979 summer career exploration demonstration program in eight separate sites throughout the nation. The program lasted eight weeks and was designed to enhance the employability of participants and encourage them to either return to school or continue their formal education at the end of the program. The program provided approximately 160 hours of career exploration and 80 hours of classroom training. Approximately 1025 SYEP eligible individuals participated in this demonstration program; about 20 percent were high school dropouts, 65 percent were high school students, and 15 percent were high school graduates or holders of GED certificates. The program was repeated in 1980 in eight sites, four from the previous summer.

The program provided participants an exposure to several jobs in local firms cooperating with the program, as well as classroom instruction in job preparation, vocational English As A Second Language, and survival skills. Program staff were to assist participants in obtaining jobs when they returned to school. The control group (assignment procedures unknown) consisting of 470 individuals not receiving the career exploration and classroom training services was selected.*

The Human Resources Development Institute (HRDI) of the AFL-CIO operated a program designed to provide participants with exposure to private sector work sites, counseling, orientation on trade unions, supportive services, and assistance in obtaining access to unsubsidized job opportunities in unionized firms upon termination of the program. In addition to trying to raise the post-program employability of youth, the HRDI program attempted to increase participants' understanding of trade unions and to improve their attitudes toward organized labor.*

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* Assessment of the SER Career Exploration Program - Summary 1979 and 1980, Reports #5 and 13, Educational Testing Service, to Department of Labor, May 1981 and October 1981.

The 1979 HRDI Summer Enrichment Program took place in seven sites serving a total of 180 youths. Approximately 93 percent of the participants were high school graduates, 85 percent were black, 12 percent were Hispanic, 92 percent were females, and 85 percent were members of families with incomes at or below 70 percent of the BLS lower living standard income level. The comparison group of 162 youths consisted of youths who were generally similar to the participants in terms of demographics and socioeconomic characteristics and were enrolled in the regular SYEP program in their communities. Thus, the comparison group represents youth who participated in the regular SYEP programs in communities where the HRDI program operated.**

An interagency agreement between the Department of Health, Education and Welfare's Bureau of Occupational and Adult Education provided funding for a "Vocational Education/CETA Summer Youth Program" during the summer of 1979. The program which was to operate at five post-secondary vocational education institutions was to offer a range of services to participants, including work experience activities, career counseling and development, training in basic academic skills, and vocationally oriented training. The objective of the program was to enhance future employability primarily by motivating participants to pursue additional schooling in the vocational education area and to reduce the typically high dropout rate among first year post-secondary school attendees.

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* Evaluation of HRDI-SYEP Program 1979 and 1981, by Greenleigh Associates, September 1980, Submitted to U.S. Department of Labor.

**The HRDI evaluation reported significant site by site differences between experiment and comparison groups on background characteristics. The Greenleigh evaluators decided (as did the Educational Testing Service in a reanalysis) to pool the sites because "the level of initial sample size (and more important, follow-up sample sizes) makes pooling unavoidable." (1979, p. 38.) The pooling of data from several sites was a standard procedure in evaluations of summer demonstration projects.

The five educational institutions participating in this 1979 summer demonstration program were Hampton Institute, Lincoln University, Morgan State University, Shaw College, and the University of the District of Columbia. A total of 437 youths participated in the summer demonstrations program, of whom the median age was 19, 56 percent were female, 98.4 percent were black, 55 percent were high school graduates and 29 percent were post-secondary school attendees. There was a comparison group chosen on a non-random basis.

There were other unique "enriched" summer programs tried during the CETA youth demonstration years. The National Football League Players Association, for example, operated a summer Vocational Exploration Program, to create a summer camp experience in which 14-16 year old youth could learn through role models about the work-world and different jobs. The camp experience stressed activities which imparted knowledge of careers, self-awareness, democratic processes, and, of course, leisure and sports. During 1980, camps in 10 locations participated in the demonstration, offering 3 to 5 separate cycles of 11 days. On average, each cycle was designed to serve 100-150 youth. Most of the 1980 programs occurred on small college campuses; only two sites were real camps. There was no comparison group for evaluation purposes.

Project STEADY (Special Training and Employment Assistance for Disadvantaged Youth) was organized by the U.S. Employment Service in 10 communities. The objective of the 12 week summer program was to show that local job service offices could assist out-of-school youth (dropouts and graduates) through extensive aptitude, interest, and work-sample evaluation;

provide labor market and occupational information; employability development planning; job search skills; placement; and, in some circumstances, part-time work experience or job shadowing. Sites varied significantly in the precise choice of service mix. An evaluation of the program by the Educational Testing Service focussed on 809 participants and 609 comparisons (chosen randomly in most instances) from the 10 sites.* Attrition patterns and participant characteristics ranged widely site to site. For example, in Norfolk the program enrolled all minority youngsters while in Providence, RI, 92% of the participants were white.

As noted in a previous section, another example of enriched summer programming is the Vocational Exploration Programs. The Vocational Exploration Demonstration Project (VEDP) summer programs were operated in sixteen sites across the country in 1979. A total of 1040 youth were served (there was no control group). Four basic program models for providing vocational exploration experiences for youths were tested--onsite exposure (occupational exploration through public or private sector placement), vocational exposure-laboratory (classroom activities), eclectic exposure (field trips, films, presentations, classroom instruction, etc.), or multi-model (mixtures of the previous three strategies). The major goal of these projects was to examine the impact of these various program models among different population groups with regard to learning about the world of work and becoming aware of various occupational opportunities and alternatives. These programs ran both year round and in summer versions.

Selected characteristics of the youth who were assigned to participant or control group status in five illustrative enriched summer youth employment programs reviewed in this chapter are presented in Table 6-16. About 48 percent of the youth were male, with most being black (64 percent). Practically all (95 percent) of the youth were from families with incomes less than 85 percent of the Lower Living Standard Income Level (LLSIL), about equally divided between 70-85 percent of the LLSIL. In addition, most of the youth were either high school dropouts or high school graduates (54.6 percent), while almost 42 percent were high school students. Finally, almost 60 percent of the youth had previously worked. Only 28 percent had previous CETA experience.

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* Assessment of the U.S. Employment Service Project STEADY, by ETS, Technical Report #9, Revised May 1982.

As can be seen from the data in Table 6-16, there is considerable variation in program characteristics across programs. Sex differences ranged from 35 percent (HRDI) to 56 percent (OIC) for males across programs. With respect to race/ethnicity, the percentage of blacks assigned varied from a low of .3 percent (SER) to 93 percent (Urban League). There are also wide variations with respect to the economic status of the youth. The majority of the youth from SER, HRDI, and the NUL tended to come from the poorest families, while youth from RTP and OIC came from the middle of the low income group. There is also considerable variation with respect to education status and previous work and previous CETA experience. For example, most of the youth from the Urban League had previous full-time or part-time work experience (96 percent), with an equally large percentage (97 percent) also reporting previous CETA experience.

Thus, while there are wide differences in the characteristics of the summer demonstration participants, the overall picture is similar to the profile of regular SYEP participants. The major differences between demonstration participants and SYEP youth are that the former are more often dropouts and are generally older. Each of the programs is targeted on those youth who might benefit from participating in a summer youth employment program.

TABLE 6-16

PERCENTAGE DISTRIBUTIONS BY SELECTED CHARACTERISTICS AT ENROLLMENT

	Program					
Characteristic	All Youth*	SER	RTP	OIC	HRDI	NUL
Sex						
Male	47.7	45.3	48.3	55.5	35.2	35.9
Female	52.3	54.7	51.7	44.5	64.8	61.1
Race/Ethnicity						
White	5.3	1.0	3.1	9.5	1.8	0.7
Black	64.4	0.3	85.8	75.7	84.7	92.6
Hispanic	29.8	98.7	10.6	12.5	12.1	6.4
Other	0.5	0.0	0.4	2.3	1.5	0.3
Economic Status						
70% LLSIL	47.6	79.2	42.0	38.0	81.8	89.1
71-85% LLSIL	47.0	20.8	57.2	61.2	12.6	9.0
85%+	5.4	0.0	0.7	0.5	5.6	2.9
Educational Status						
H.S. Student	41.9	67.0	0.4	72.9	-	0.7
H.S. Dropout	24.8	19.8	33.5	21.6	-	55.1
H.S. Graduate GED	29.8	12.2	59.7	5.5	-	44.2
Post-H.S. Attendee	3.4	1.0	6.3	0.1	-	0.0
Previous Work						
Full/PT	58.2	33.4	72.1	55.1	57.1	96.3
None	41.8	66.6	27.9	44.9	42.9	3.7
Previous CETA						
Yes	27.7	16.7	16.6	29.6	26.2	96.7
No	72.3	83.3	83.4	70.0	73.8	3.3

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* Includes the 5 projects and PUSH for Excellence, a 1979 year-round demonstration program with a summer component (not reviewed in this chapter).

5.3 Impacts of Enriched Summer Programs

Virtually all of these enriched programs demonstrated some positive effects on participants. Consider the standard yardstick of program success used by the federal government - the positive termination rate. Positive terminations consider the number of enrollees who are successfully placed in school, jobs, educational and training programs, or the military upon completion of the program. RTP's Career Exploration Program served 1100 youth between 1979-1981 and obtained a positive placement rate over 80%; the National Urban League's rate varied between 58-70% during its several summers of positive operation; the OIC Career Exploration Project's positive placement rate was nearly 85 percent.

The preceding placement rates are favorable but, of course, do not reveal what could happen to the youth if not enrolled in special summer programs. Considerable effort was devoted during CETA to assess the net impacts derived from summer jobs programs. Generally, the results show that relative to control or comparison group youth, participants showed slightly higher school enrollment and higher employment rates. However, the evidence indicates that these short duration summer programs did little to improve job relevant attitudes or knowledge areas. These results are discussed next for the projects with the most reliable control or comparison groups.

However, the results from even the most reliable projects must be presented with several important cautions. Consider the OIC-CEP demonstration where there was an effort to use random assignment to the control group for each site. Differences in survey completion rates between the groups (experiment and controls) are notable. For example, 93% of the participants responded to the OIC exit interview and only 60% of the controls. The example illustrates the difficulty in obtaining reliable information from social experiments involving young people enrolled in programs for only a few short months. As a general rule in summer demonstrations, program completers are younger, receive the most services, are females, and minorities.

The full implications of these biases are usually examined, but rather casually by some summer program evaluators (especially if the evaluator was also the program operator). A related problem is attrition; all the summer programs had fewer responses over time, especially among control group members. Another problem was described previously--the analyses usually pooled data from many sites. Although there were no reasonable alternatives to this approach, more attention should have been devoted to examining site by site differences. These problems are rather typical of social program evaluation in all fields, but should be considered along with the results presented below.

5.3.1 School Enrollment Effects

The school enrollment rates three and eight months after program participation varied widely with the nature of the program and the participants. Yet, several of these enriched programs appear to have influenced youth to spend more time enrolled in school and training. The program working with post-secondary vocational education institutes showed the largest unadjusted effects. Over 80 percent of participants enrolled and completed the fall term; in comparison, 54 percent of control group youth enrolled in the fall term and only 40 percent completed the fall term. In the case of the other programs trying to influence participants to return to high school or training, the size of the unadjusted effect was about seven to twelve percentage points. SER's program participants showed a 74 percent to 62 percent advantage over control group youth in enrollment rates eight months after program completion. The advantage was only 7 percentage points (76 percent to 69 percent) in the OIC program. In the VEDP summer projects, out of 746 youth located for a 90 day follow-up, almost half (45.4 percent) were attending school, but there is no control group to assess this finding.

These consistent positive effects on school enrollment rates are particularly impressive when one realizes that the summer enrichment programs tended to deal with youth who were generally older and more disadvantaged than even the economically disadvantaged youth eligible for the regular summer program.

Do these gains in school enrollment hold after adjusting for pre-existing differences in reading achievement, background variables, and survey attrition patterns? Consider the ETS reanalysis of the 1980 SER program. ETS finds that former participants (at 3 months post-program) are slightly more likely to attend post-secondary education or training than comparison group members, *ceteris paribus*.

An unpublished ETS analysis of the OIC education/training gain finds that it too stands up after adjustment of pre-program and survey differences. An analysis of the 1980 program found that at three months (after the program ended), 75 percent of participants went on to school or training vs. 72% among controls. These figures, adjusted for pre-existing differences in reading ability and background characteristics, however are not statistically significant. The 1979 program, however, had significantly (p = 01) more youth go on to training or education (76% vs. 58%, adjusted). Moreover, in both summers, OIC summer participants at 8 months were more likely to go on to school or training. The advantage is in the 6 to 11 point range (adjusted). For example, in 1980, 73% of former OIC summer youth were in school/training 8 months after participation compared to 62% among the controls.

5.3.2 Employment Effects

Several programs appear to have raised the employment rates of participants. The Project STEADY, RTP, Urban League, and HRDI projects all reported that participants had higher post-program employment rates than control group youth. In the case of RTP, the data from three separate surveys indicate that the program increases employment rates by about eight to ten percentage points. The Urban League reported similar significant employment gains in their program. For example, in the 3 month post-program survey of NUL-SOAP participants, 19% of the former participants worked full-time compared to 9% among the controls (adjusted, statistically significant). Results from the RTP 1979 program and from the HRDI program based on surveys taken eight months after the programs indicated that participants fared significantly better in the labor market than did control group youth.

The Project STEADY evaluation finds that after controlling for background characteristics and sample attrition, the pooled sample of participants obtain more full-time work than the comparison group. The magnitude of the difference is significant. Twenty-nine percent of the participants are likely to be employed full-time 3 months after the program vs. 17% among the control group. Similarly, there is a 12 point advantage for participants in any positive outcome (e.g., working, going to school full-time, or doing both, 47% vs 36%). These advantages hold on a second survey 8 months after the STEADY programs began. In fact, the full-time work advantage expands to 33% among participants and only 17% among controls. At eight months, 17.6% of the former STEADY participants were doing nothing (not in school or work) vs. 35% among the controls (N = 563 participants at 8 months, 399 controls). Finally, the ETS analysis of Project STEADY shows that better readers find more full-time jobs as a group.

Occasionally, employment effects are not detected in the short-run, but eight months after summer program participation the effects surface. This was the case with the OIC/Career Exploration project. At 3 months, the adjusted employment effects were not statistically significant, but at 8 months there were significant differences. For example, about 8 percent of the former OIC youth worked full-time (8 months later) compared to 04 percent among the controls.

5.3.3 Knowledge Areas and Attitudes

While the enriched programs appear to raise employment and school enrollment rates, they do not have any consistent measurable effect on job related attitudes and knowledge areas. Neither in the case of the OIC, HRDI and SER programs did participants gain more on tests of work attitudes and job knowledge than did controls. Occasionally, gains in knowledge areas or attitudes are significant in a statistical sense, but even here no great meaning should be attributed to the numbers. Consider Project STEADY, the U.S. Employment Service summer program in 10 sites. When all sites are combined, participants gain 17.6% of a standard deviation more than controls on a job seeking skills test. This is statistically significant, but 17.6 percent of one standard deviation is less than one half of one point on this particular scale's 17 point yardstick of success. Finally, although net gains in knowledge areas and attitudes were not revealed by the summer program evaluations, the studies do show who gains in an absolute sense. A very consistent finding of the ETS summer studies is that better readers gain the most. In the 1979 SER-CEP program, for example, better readers score higher on every knowledge and attitudes test.

5.3.4 Criminal Justice

Next, we turn to involvement with the criminal justice system. The OIC project was aimed specifically at high risk youth and criminal offenders. The federal evaluator did report small differences of 1 to 2 points favoring participants who said they had "trouble with the police." Similarly, the OIC study found that among dropout offenders, many failed to complete the program, return to school, or find jobs.* Recall that the Nellum Study of the regular SYEP program found self-reported involvement with the criminal justice system not to differ between participants and controls. One lesson stemming from these data is that the programs, by putting money into young people's pockets and jobs on their resumes, does not add to their social problems, and, if anything, seems to improve or maintain their social adjustment.

5.4 Summer Programs and the Hard to Employ

Do summer programs work for the hardest to employ? To answer this quesiton, we reanalyzed all the summer demonstration projects in the ETS data base along with the research sample of youth enrolled in the regular SYEP program (the Nellum Study). We compared outcomes, adjusted for pre-existing background characteristics, between participants and control/comparison group members. Table 6-17 shows the significant results for high school dropouts only. Overall, for dropout youth (who are a minority of all summer enrollees) the summer demonstrations along with SYEP do raise employment and in the short-run (the fall after summer) the return to school/training. CETA serves few dropouts in the summer months, but serves the few quite effectively.

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* Evaluation of the OIC/Career Exploration Project - 1979 - Final Report. Submitted to the U.S. Department of Labor, Office of Youth Programs, by Center for Studies in Social Policy, November 1981.

TABLE 6-17

Summer Projects: High School Dropouts
Adjusted Mean Effects (ANCOVA) for Participant and Comparisons

	Outcome	3 Month Follow-Up		8 Month Follow-Up	
		Participants (N = 1878)	Comparisons (N = 1180)	Participants (N = 1742)	Comparisons (N = 1036)
(1)	Full or Part-time Work at Survey or in Follow-Up Period	.41	.31	.50	.33
(2)	Doing Nothing	.34	.46	.32	.47
(3)	In School or Training	.37	.30	-	-

Source: Unpublished reanalysis of summer projects for Brandeis University by ETS. All differences are significant at $p=10$.

6.0 Summary

Summer jobs are serious business. Although some critics call the summer job program "fire insurance," the program has successfully provided millions of poor youth work experience, income, and productive time away from the streets. After nineteen summers, we now know the program does a lot more than prevent fires.

Twelve million youngsters have gone through the program. We know from careful monitoring that less than 15-20 percent of the work sites are wasteful, merely "fun and games." We also know from program evaluations that participation in the program generally translates into more youngsters returning to school in the fall and more participants finding jobs after the program. This short program may not change dramatically young people's knowledge and work attitudes (both may be adequate to begin with), but it does give many a first taste of work experience. Employers generally report satisfaction with the young workers, although improvements in the young peoples' expectations and behaviors on the jobs are recommended.

Public sponsored summer jobs are serious business because they provide a vast share of the jobs poor and minority youth hold in the summer months. Corporations recognize this fact and have begun numerous private sector jobs programs. These programs are necessary (there is no evidence that they are better than the standard SYEP programs), but they are a very small contribution to an expanding problem of summer joblessness.

Corporations involved with young people in the summer months are unlikely to want the full-time job of preparing America's poor for the next generation of work. Business leaders want young people to have basic skills and realistic knowledge of the job market. Business wants the summer program to be try-out for employment for serious, older youth and a first taste of work for the youngest groups.

Improvements therefore can be made. Young in-school youth - now the vast majority of all participants - would be better served by year-round training and educational efforts tied to the schools. The summer jobs programs run each year because schools, even those in the largest cities, still operate on a farm calendar. The answer is to tie the public summer jobs programs to year round youth programming for disadvantaged youth.

The summer months symbolize lost opportunities for millions of poor youth. Evidence exists that school-year achievement gains are greater than summer months gains - youngsters suffer a slowdown in learning during the summer.* The summer programs then should be enriched by providing remediation of basic skills deficiencies. The enriched YEDPA demonstrations illustrate that above average gains can be expected when something special is done, when services beyond the basic work experience, are provided. These services can include computer-assisted learning and traditional instruction in basic skills, classroom training in labor market information and job-related skills, and serious vocational training for older or out-of-school youth. Further, these summer enrichments should be tied to an overall plan for each youngster - a plan that considers the year-round, developmental needs of young people. Finally, the summer program should always include a special placement and job search assistance component. Most SYEP programs today do not bother to assist youth in making the transition from SYEP to further training or jobs.

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* Barbara Haynes, Summer Learning and the Effects of Schooling, Academic Press, New York, 1978.

In the past, the summer program was characterized almost exclusively as a short work experience providing necessary income to poor youth. The YEDPA demonstrations and monitoring reports show that quality work experiences are feasible and program enrichments are viable. Work experience can be made to work if program operators and funders devote adequate resources to insure quality work experience. Beyond these factors, the summer program requires stability. Each spring there will be predictions that a "long hot summer" is not far off. The evidence is that the summer program plays an important role beyond cooling off poor youth in the summer months. Policymakers might look at the evidence and give program operators sufficient resources and planning time to truly enhance summer opportunities for poor youth.

Footnotes

1. The first year of summer program operations under the Neighborhood Youth Corps occurred in the summer of 1965. For a review of the goals of the Neighborhood Youth Corps program and its operations during the first few years of its existence,

   See: i) Levitan, Sar A. and Mangum, Garth L., Federal Training and Work Programs in the Sixties, Institute of Labor and Industrial Relations, Ann Arbor, Michigan, 1969, particularly pp. 211-23,

   ii) U.S. Department of Labor, Manpower Report of the President and A Report on Manpower Requirements, Resources, Utilization and Training, U.S. Government Printing Office, Washington, D.C., 1965, pp. 136-137.

2. For a review of the goals and organizational structure of the various categorical employment and training programs enacted by the federal government during the decade of the 1960's,

   See: i) Mangum, Garth L., The Emergence of Manpower Policy, Holt, Rinehart & Winston, Inc., New York, 1969;

   ii) Levitan, Sar A. and Mangum, Garth L., Federal Training and Work Programs in the Sixties, Institute of Labor and Industrial Relations, Ann Arbor, 1969;

   iii) Clague, Ewan with assistance of Kramer, Leo, Manpower Policies and Programs: A Review, 1935-1975, W.E. Upjohn Institute for Employment Research, Kalamazoo, 1976.

3. See: 97th U.S. Congress, Job Training Partnership Act of 1982, "Title 2, Part B - Summer Youth Employment and Training Programs."

4. Ibid, "Section 252(i)."

5. For a description of the range of enriched summer program demonstrations,

   See: U.S. Department of Labor, Office of Youth Programs, The Knowledge Development Agenda, Youth Knowledge Development Report 1.1, U.S. Government Printing Office, Washington, D.C., 1980. A preliminary review of the impacts of many of these enriched summer programs appears in the following publication:

   Center for Employment and Income Studies, Brandeis University Representative Findings from YEDPA Discretionary Projects, Report prepared for the Office of Youth Programs, U.S. Department of Labor, Waltham, 1981.

6. For a review of summer program operations under the Neighborhood Youth Corps,

   See: i) Levitan, Sar A. and Mangum, Garth L., op.cit., pp. 211-232;

   ii) U.S. Department of Labor, Manpower Administration, The Neighborhood Youth Corps: A Review of Research, Monograph No. 13, U.S. Government Printing Office, Washington, D.C., 1970;

   iii) Mangum, Garth and Walsh, John, Employment and Training Programs for Youth; What Works Best for Whom? A Report to the Office of Youth Programs, U.S. Department of Labor, National Council on Employment Policy, Washington, D.C., 1978.

7. See: i) Levitan, Sar A., The Great Society's Poor Law: A New Approach to Poverty, The Johns Hopkins Press, Baltimore, 1969;

   ii) U.S. Department of Labor, Manpower Administration, The Neighborhood Youth Corps.....

8. See: U.S. Department of Labor and U.S. Department of Health, Education, and Welfare, Manpower Report of the President, 1974, U.S. Government Printing Office, Washington, D.C., 1974, "Table F-1," p. 358.

9. See: i) 93rd U.S. Congress, Public Law 93-203: Comprehensive Employment and Training Act of 1973, Washington, D.C., December 1973;

   ii) U.S. Department of Labor, Office of the Secretary, "Special Federal Programs and Responsibilities under the Comprehensive Employment and Training Act: Summer Program for Economically Disadvantaged Youth Under Title III of the Act," Federal Register, June 5, 1975, Volume 40, Number 109.

10. See: i) 95th U.S. Congress, Public Law 95-93: Youth Employment and Demonstration Projects Act of 1977, Washington, D.C., 1977;

    ii) U.S. Department of Labor, Employment and Training Administration, Office of Youth Programs, Youth Initiatives, U.S. Government Printing Office, Washington, D.C., 1978.

11. See: U.S. Department of Labor, Employment and Training Administration, Office of Youth Programs, A Planning Charter for the Youth Employment and Demonstration Projects Act of 1977, U.S. Government Printing Office, Washington, D.C., August 1977.

12. *See:* i) Office of Youth Programs, *Compilation of Reports on the 1978 Summer Youth Employment Program*, Youth Knowledge Development Report 3.5, U.S. Government Printing Office, Washington, D.C., 1980;

    ii) Office of Youth Programs, *Improving the Design and Operation of the Summer Program*, Vol. I and II, Youth Knowledge Development Reports 8.3 and 8.4, U.S. Government Printing Office, Washington, D.C., 1981.

13. *See:* 95th U.S. Congress, *Public Law 95-524: Comprehensive Employment and Training Act Amendments of 1978*, Washington, D.C., 1978.

14. For example,

    See: Boston Private Industry Council, Inc., *1982 Boston Summer Jobs Program: Final Report*, Boston, 1983;

15. Humphrey's views on the goals of the NYC program appeared in the following volume:

    Levitan, Sar A. and Mangum, Garth L., *Federal Training and Work Programs in the Sixties*, p. 211.

16. Summer employment levels are defined as the average number of employed persons 16-21 (not seasonally adjusted) during the months of July and August. During the July-August period of 1978, there were 15.842 million persons 16-21 who were employed. During the same period of 1982, only 13.483 million young persons (16-21) were able to obtain a job.

    See: i) U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics Derived from the Current Population Survey: A Data Book, Volume 1*, Bulletin 2096, U.S. Government Printing Office, Washington, D.C., 1982;

    ii) U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, August 1982, September 1982.

17. Similar findings for earlier years, including the peak enrollment year of 1978, can be found in the following publication:

    Office of Youth Programs, *The Summer Youth Employment Program: A Report on Progress, Problems and Prospects*, Report Number 33, Washington, D.C., February 1979.

18. For further details on the nature and purposes of this survey,

See: i) Westat, Inc., CLMS Technical Report No. 1, Methodology, Rockville, Maryland, March 1977;

ii) Westat, Inc., Continuous Longitudinal Manpower Survey: Report No. 11, Characteristics of Youth Enrollees Who Entered CETA Programs During Fiscal Year 1979, Prepared for Office of Program Evaluation, Employment and Training Administration, Rockville, Md., December 1981.

19. The FY 1979 CLMS estimates include persons enrolled in Title II B, II C, II D, IV, and VI programs operated by prime sponsors; however, the FY 1979 data exclude particiants in Title VII Private Sector Initiative Programs. PSIP enrollees are included in the FY 1981 estimates. Job Corps participants are excluded from the totals for both years since they were not administered through the CETA local prime sponsor system.

20. It should be noted that the CLMS classifies enrollees by initial program assignement (IPA's), their first program activity. The total number of new enrollees in FY 1979 SYEP programs will, thus, differ somewhat from the total number of enrollees for such programs in Table 1. This discrepancy is due to the fact that some of the participants in SYEP programs will have previously participated in a Title II B or other Title IV youth program, such as those operated under the Youth Employment and Training Program and the Youth Community Conservation and Improvement Program.

21. See: Westat, Inc., Continuous Longitudinal Manpower Survey, Report No. 11..., p. 50.

22. Our analysis assumes that all of the SYEP jobs held by young persons during the summer months are reported as employment on the CPS household survey. Most of the CPS employment data on youths is provided by proxy respondents (primarily their mothers), and previous comparisons of CPS employment data with data from other surveys based on personal interviews with youth themselves (the National Longitudinal Surveys) have indicated that the CPS tends to underestimate total youth employment. More recent analyses of sources of discrepancies between the employment estimates of the CPS and NLS surveys suggest that marginal jobs; i.e., those providing only a few hours of employment per week, are most likely to be undercounted on the CPS. Given the "non-marginal" nature of summer youth jobs, we believe that the vast majority of summer youth jobs are reported on the CPS survey.

See: i) Borus, Michael; Mott, Frank L.; and Nestel, Gilbert; "Counting Youth: A Comparison of Youth Labor Force Statistics in the Current Population Survey and the National Longitudinal Surveys," in Conference Report on Youth Unemployment: Its Measurment and Meaning, U.S. Government Printing Office, Washington, D.C., 1978;

ii) Freeman, Richard B. and Medoff, James L., "Why Does the Rate of Youth Labor Force Activity Differ Across Surveys?," in The Youth Labor Market Problem: Its Nature, Causes and Consequences, pp. 75-114;

iii) Nestel, Gilbert and Santos, Richard, "CPS-NLS Differences in Labor Force Characteristics of Youth: Another Look," Unpublished Working Paper, Center for Human Resources Research, Ohio State University, 1981.

23. High proportions of teenagers work in the retail trade and the private services sector of the U.S. economy. For example, during 1978, 67.4% of all teenagers (16-19) were employed in these two sectors. Both of these sectors also contain above average proportions of adult women. During August of 1978, nearly 48% of all women holding jobs in nonagricultural industries were employed in the retail trade and private services sectors. For many entry-level jobs in these two sectors outside of the professional/managerial occupations, teenagers and adult women are considered as close substitutes:

See: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, January 1979, "Table 13-3," pp. 85-92, "Table 29, " p. 178.

24. See: A.L. Nellum and Associates, Impacts of SYEP Participation on Work-Related Behavior and Attitudes of Disadvantaged Youth: Final Report, Prepared for Office of Youth Programs, U.S. Department of Labor, Washington, D.C., December 1980.

25. Seasonal factors account for the bulk of the variation in the youth labor force during the year.

See: Smith, Ralph E. and Vanski, Jean E., "The Volatility of the Teenage Labor Market: Labor Force Entry, Exit, and Unemployment Flows," in Conference Report on Youth Unemployment: Its Measurement and Meaning, pp. 35-64.

26. See: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume 1, "Table A-6", pp. 205-206.

27. The analysis by Clark and Summers was based on flows of youths (16-19) into and out of the labor force and into various labor force statuses for the years 1968-1976. Their findings suggest that summer youth program jobs were approximately equal to 20% of the net increase of teenagers (16-19) in the labor force during the summer for the 1968-1976 time period.

See: Clark, Kim B. and Summers, Lawrence H., "The Dynamics of Youth Unemployment," in The Youth Labor Market Problem: Its Nature, Causes, and Consequences, (Ed: Richard B. Freeman and David A. Wise), University of Chicago Press, Chicago, 1982.

The Clark/Summers analysis does, however, suffer somewhat from a misunderstanding by the authors of the age composition of summer program participants. Only 55%-60% of all SPEDY participants tended to be between the ages of 16-19. The authors appear to assume that all NYC Summer and SPEDY participants are between the ages of 16-19.

27. The forms used to collect such information are known as the Quarterly Summary of Participant Characteristics.

28. See: Office of Youth Programs, The Summer Youth Employment Program: A Report on Progress, Problems, and Prospects, Report Number 33, p. 5.

29. See: U.S. Department of Labor, Employment and Training Report of the President, 1978, "Table F-7," p. 313.

30. The CLMS findings for 1979 SYEP programs are based upon initial interviews with a sample of 1,000 new enrollees,

    See: Westat, Inc., Continuous Longitudinal Manpower Survey, Report No. 11... p. A-5.

31. The intake instrument used in conducting the CLMS survey obtains data on the labor force status of enrollees at 1, 3, 6, and 9 month periods prior to entry. We used the mean proportions of enrollees in each labor force status at the 1, 3, 6, and 9 month periods prior to entry as the average for the nine-month, pre-program period.

    See: Westat, Inc., op. cit., p. 52.

32. This estimate pertains to 1979 SYEP participants. The CLMS estimates family income in relationship to the OMB poverty line by taking the lower of either the three-month annualized income of the participant's family or the 12-month prior income. Income from unemployment insurance compensation and cash public assistance are included in the family income.

33. Total wages and allowances paid to participants were equal to $464.4 million. Given the 734,000 participants in the program, mean wages and allowances were calculated to be $633.

    See: U.S. Department of Labor, Employment and Training Administration, Program Status and Financial Summary, Fiscal Year 1980, Fourth Quarter, Washington, D.C., April, 1981.

34. See: U.S. Department of Commerce, Bureau of the Census, Money Income and Poverty Status of Families and Persons in the United States: 1980, Series P-60, No. 127, U.S. Government Printing Office, Washington, D.C., 1981.

35. Ibid, "Table 23," p. 37.

36. In determining eligibility for SYEP participation, the family income of an applicant is determined by annualizing the prior six-month income. Family income data collected by the March CPS are reflective of family incomes in the prior calendar year (1979). One cannot determine prior six months income from the March CPS survey.

37. A number of efforts have been made to determine the potential "universe of need" for the SYEP program. One such approach is to determine the number of summer jobs that would be needed to bring the employment/population ratio of economically disadvantaged or minority groups into equality with that of non-disadvantaged white youths during the summer months.

See: i) Sum, Andrew and Harrington, Paul, The Summer Youth Employment Program: A Response to the Criticisms Raised in the 1982 OMB Budget Issue Paper, Office of Youth Programs, U.S. Department of Labor and Center for Labor Market Studies, Northeastern University, Boston, 1983;

ii) Office of Youth Programs, The Summer Youth Employment Program: A Report on Progress, Problems, and Prospects, Report Number 33, February 1979.

38. The Current Population Survey obtains comprehensive information on personal and family incomes only once per year during the month of March. The public use tapes of the National Longitudinal Survey of Young Americans,whose first wave of interviews took place in 1979, does provide opportunities for developing estimats of employment rates of SYEP eligible subgroups during the summer months. The data base also allows identification of those young persons who were enrolled in the SYEP program during each year. Findings of several such analyses are presented in this paper.

39. Our measure of unsubsidized jobs was calculated by subtracting the number of SYEP enrollees in each subgroup from the CPS estimate of the total number of persons in the same subgroup who were employed during the summer of 1980. The simple average of the employment levels of July and August was used to represent "summer employment". It should be noted that the estimate of unsubsidized employment is a crude one. Some of the youths employed in non-SYEP jobs were actually occupying subsidized employment positions, including CETA-related public service employment jobs, adult work experience jobs, CETA-funded OJT positions,and federally financed work-study jobs. The relative magnitudes appearing under Column A are, however, likely to be reflective of those for truly unsubsidized jobs.

40. For a recent review of the labor force behavior of 14-15 year olds and an analysis of the impacts of child labor laws on teenage employment,

See: i) Westcott, Diane C., "The Youngest Workers: 14 and 15 Year Olds," Monthly Labor Review, February 1981, pp. 65-69;

ii) Mitchell, Daniel J., "The Effects of Child Labor Laws on Youth Employment," Conference Report on Youth Unemployment Its Measurement and Meaning, pp. 181-213.

41. Hispanic youths are included in the white and black totals. More than 95% of all Hispanics are classified as white.

42. See: Sum, Andrew and Harrington, Paul, The Summer Youth Employment Program... Our previous analysis of employment/population ratios for youths in poverty and nonpoverty neighborhoods revealed that the relative E/P ratios vary somewhat by race. Among white teens (16-19), the spring 1980 E/P ratio of poverty neighborhood youth was 83% of that of nonpoverty area youth. Among black teens, youths in poverty neighborhoods were only 66% as likely to be employed as their counterparts in nonpoverty neighborhoods.

Findings of the 1976 Survey of Income and Education, a large scale national household survey conducted by the Bureau of Census, reveal that for most poor youth subgroups the probability of being employed at the time of the survey (May-June) was only 65% as high as that of all youth. The employment/population ratios for all and poor youth in selected age, sex, and race subgroups are presented below:

Youth Subgroup	(A) All Youth	(B) Youth in Poor Families	(C) Poor Youth as % of All
14-17	.273	.158	58.0
18-19	.556	.375	67.4
20-21	.615	.399	64.9
Male 14-21	.471	.306	65.0
Female 14-21	.381	.233	61.2
Black and Hispanic 14-21	.250	.160	64.0

Source: Endriss, J.R. and Froomkin, Joseph, The Labor Market Experience of 14-21 Year Olds, Youth Knowledge Development Report 2.6, U.S. Government Printing Office, Washington, D.C., 1980.

43. The Quarterly Summary of Participant Characteristics for SYEP programs does not provide cross-tabulations of participant characteristics. For example, the QSPC provides information on the number of 16-19 year olds in SYEP programs and the number of blacks in SYEP programs, but does not yield information on the number of black 16-19 year olds. To obtain such estimates, we simply assumed that whites and blacks, males and females are uniformly distributed across all age groups.

44. An analysis of the 1976 Survey of Income and Education data for New England revealed that one-third of female nonparticipants desiring jobs cited family responsibilities and child care problems as major reasons for their inability to actively seek work:

    See: Center for Labor Market Studies, Northeastern University, CETA Planning Package for New England: Findings from the 1976 Survey of Income and Education, Boston, May 1979.

45. Due to the absence of cross-tabulated data on the demographic characteristics of SYEP enrollees, we had to generate our own estimates of the numbers of male and female 16-19 year olds enrolled in SYEP programs during each summer. To produce such synthetic cross-tabulations, we simply assumed that the sex distribution of 16-19 year olds was the same as that for all 14-21 year old enrollees. Similar assumptions about the racial composition of enrollees were made to generate estimates of the number of white and black enrollees in the 16-19 age group.

46. Some of the SYEP enrollees transfer into the summer jobs program from other school year subsidized programs such as YETP and YCCIP. Prime sponsor data on transfers into SYEP programs from other CETA youth programs reveal that 46,438 of the enrollees in the 1981 SYEP program were transfers from other subparts. The bulk of these would have been 16-19 year olds participating in YETP and YCCIP programs.

    See: U.S. Department of Labor, Employment and Training Administration, CETA Program Status and Financial Summary, for Quarter Ending 9-30-81, Washington, D.C., February 1982.

47. Previous analyses of teenage labor force flows during the summer months have indicated that high fractions of new entrants succeed in obtaining employment during the first month of entry. Clark and Summers' analysis of CPS gross flows data for the summers of 1968-76 suggests that approximately 65-67% of new entrants during the months of June and July will find a job upon entry.

    See: Clark, Kim B. and Summers, Lawrence H., op.cit., p. 208.

48. A more detailed discussion of the severe deterioration in the employment status of America's teens throughout this period is presented in the following publication:

Sum, Andrew and Simpson, Paul, The Deteriorating Employment Position of America's Teenagers: Implications for National Youth Employment and Training Policy, Center for Labor Market Studies, Northeastern University, Boston, 1983.

49. For a recent review of historical trends in the E/P ratios of white and black teens and the forces believed responsible for the widening gap between the races,

See: Berlin, Gordon, Not Working: Unskilled Youth and Displaced Adults, Ford Foundation, New York, 1983.

50. Commissioner Norwood's remarks were cited in the following publication:

The Roosevelt Centennial Youth Project, A Policy Blueprint for Community Service and Youth Employment, Washington, D.C., August 1983.

51. A series of papers on alternative policies for combatting the employment problems of unemployed and economically disadvantaged youths in the 1980's have recently become available. Among the more substantive papers are the following:

i) Berlin, Gordon, op.cit.;

ii) The Roosevelt Centennial Youth Project, op.cit.;

iii) Taggart, Robert, Youth Jobs Programs: The Critical Need for a Comprehensive Strategy, Remediation and Training Institute, Alexandria, Virginia, 1983;

iv) Thomas, Franklin A., Youth Unemployment and National Service, Ford Foundation, New York, 1983.

52. An analysis of the 1979 interview data from the National Longitudinal Survey revealed that nearly one-half of all minority youth employed by the SYEP program during the summer of 1978 were not employed in any other job during that year. In addition, a high fraction of those SYEP youth holding two jobs during 1978 were dependent upon other government job programs for their second job, including CETA work experience positions and PSE jobs.

See: Sum, Andrew and Simpson, Paul, Employment Patterns of Economically Disadvantaged Youth Holding Summer Youth Program Jobs, Center for Labor Market Studies, Northeastern University, Boston, 1983.

For the months of July and August of 1981, the average monthly number employed persons (16+) was 102.4 million.

See: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume 1, "Table A-10," p. 222.

See: U.S. Department of Labor, Employment and Training Administration, CETA Program Status and Financial Summary, Washington, D.C., February 1982, p. 1745.

See: i) Mallar, Charles et.al., The Lasting Impacts of Job Corps Participation, Youth Knowledge Development Report 3.4, U.S. Government Printing Office, Washington, D.C., May 1980;

ii) Kemper, Peter and Long, David A., The Supported Work Evaluation: Technical Report on Value of In-Program Output and Costs, Manpower Demonstration Research Corporation, September 1981;

iii) Corporation for Public/Private Ventures, Enhanced Work Projects - the Interim Findings from Ventures in Community Improvement Demonstration, Youth Knowledge Development Report 7.5, U.S. Government Printing Office, Washington, D.C., May 1980.

iv) Public/Private Ventures, The Ventures in Community Improvement Program (VICI): A Demonstration of Program Replication Through the CETA System: Third Interim Report Appendix, Philadelphia, Winter, 1979-80.

v) Public/Private Venture, VICI: Jobs and Community Improvements A Working Mannual for Employment and Training Programs, Philadelphia, undated.

The alternative supply price is not actually a measure of the value of output to society. Such a measure would require information on how much in the way of additional resources society is willing to devote to the production of such services. A proper measure of value also needs to assess the demand for the additional output. The alternative supply price by itself is an estimate of the cost to society of producing the additional output. It provides no indication of whether or not society places any value on the additional output produced. For example, the alternative supply price for clearing a park of leaves may be $3.00 per hour, but society may place no value on removing these leaves and be unwilling to devote any resources to the task. The alternative supply price for the work is $3.00 per hour; however, the value of additional cuput is zero.

A.L. Nellum, Impacts of SYEP Participation on Work-Related Behavior and Attitudes of Disadvantaged Youth, December 1980, particularly Table 65.

The New York City summer program was the focus of several Office of Youth Program Studies on reforms of the SYEP program.

See: National Child Labor Committee, A Study of the 1978 New York City Summer Youth Employment Programs in Compilation of Reports on the 1978 Summer Youth Employment Program, Volume II, U.S. Government Printing Office, Washington, D.C., 1980.

Bibliography of ETS/SAS Summer Studies

For further details, see a series of reports by the Educational Testing Service that reanalyze data from several summer demonstrations. The studies with comparison groups include:

Assessment of the SER Career Exploration Program - Summer 1979 and 1980, by ETS, Technical Reports #5 and 13.

Assessment of the National Urban League, Summer Occupational Awareness Program, 1979 and 1980, ETS, Technical Reports #6 and 18.

Assessment of the U.S. Employment Service STEADY Project, ETS, Technical Reports #9 and 10.

A study with no comparison group is:

Assessment of the National Football League Players Association Vocational Exploration Program, Summer 1979 and 1980, Technical Reports #4 and 17.

CHAPTER 7 - MAKING THE CONNECTION TO WORK:

EFFORTS TO HELP POOR YOUTH THROUGH LABOR MARKET PREPARATION, JOB PLACEMENT, JOB SEARCH ASSISTANCE, AND SCHOOL-TO-WORK TRANSITION PROGRAMMING.

Introduction

The transition from school to work is not an easy process for any young person. The labor market experiences immediately after leaving school may have important impacts on the long-range success of young people. While most youth encounter obstacles to entering employment after leaving school, disadvantaged youth are more likely to be seriously affected. A commonly recognized set of problems encountered by disadvantaged youth during this process include: a lack of basic education and vocational skills for jobs currently in demand; inadequate employment history; the perception by employers of a lack of proper work attitudes and motivation; an absence of clear-cut career plans and goals; and little knowledge of how to look for jobs.

These employment barriers are more prevalent and more serious among school drop-outs. Unfortunately, there have been dramatic increases in youth dropout rates in urban areas. Dropout rates have soared in recent years to 40-50 percent in America's largest school systems. Careful studies show that school graduation adds at least 10 points to the likelihood that a non-white youth will be employed. With over one million school dropouts per year, the importance of a better education-employment connection is obvious.

Consider a related topic, functional illiteracy. The National Assessments of Functional Literacy show that nearly 13 percent of 17 year olds are functionally illiterate. In concrete terms, an illiterate student would answer incorrectly the question, "which door would you go to for lunch?" after being shown pictures of four doors labeled "Cafeteria, Library, Nurse, and Principal." Among educationally disadvantaged youth (neither parent a high school graduate), the national study found that the illiteracy rate was 26 percent.

Functional literacy is a problem that bridges education and employment and often falls between the cracks of institutions designed to assist young people.

The policy responses to these problems include raising the basic skills of poor youth, providing work experience and training, assisting drop-out youth to find jobs, and easing the transition from school to work among in-school youth. This chapter will review the CETA demonstration experience for lessons on the latter two policy responses: improving the school to work process and connecting dropouts to jobs.

The review is divided into three sections: (1) in-school and out-of-school career counseling programs with intensive placement components; (2) career development and vocational exposure programs; and (3) self-directed job search assistance approaches.

These three clusters of programs have more in common than conventional wisdom holds, and arguments could be made over where to position one or another of the respective programs. The programs are all operated because policymakers and practitioners alike recognize that while programs that raise the effective demand for low income youth (through improving education, and providing work experience or training) are important, they do not address other important employment barriers low income youth face.

It is clear that some youth lack knowledge of the occupational distribution, of the discipline demanded on the job, and of how to look for a job. There is some evidence that young people's weak connections with, and knowledge of, the labor market may contribute to the high unemployment among low income youth.* This evidence is the subject of a special review in Chapter 8,

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* See, for example, Paul Andrisani (1977), et al., Work Attitudes and Work Experience. U.S. Department of Labor, GPO, Washington, D.C. For a literature review, see Joseph Raelin, Building A Career, Upjohn Institute, Kalamazoo, Michigan, 1980.

"Do Work Attitudes Matter?" Given the perceived importance of improving knowledge areas and work-related orientations, the Department of Labor financed a number of demonstrations to test the effectiveness of programs that educated low income youth about careers, the nature of jobs and job search techniques, and placed poor youth in jobs.

Of course, the Employment Service is the principal public institution charged with connecting young and adult job seekers to available jobs. In Fiscal Year 1979 about 4,362,230 young persons (under age 23) filed applications with the Employment Service during the non-summer months; yet only about 32 percent were placed in jobs.* These data signal a gap in youth job finding, a gap that CETA's special demonstrations have attempted to fill. Several discretionary projects were designed to test alternatives to the Employment Service in linking youth with employers. A variety of strategies were part of the demonstration effort. As noted, three clusters of projects stand out:

- Labor market preparation through career counseling with intensive job placement services. These interventions are low cost and low to moderate in duration of service time. They combine career development with placement in jobs.
- In-school career development and vocational exposure projects. These programs are broader than those providing simple counseling and placement services. They include career and personal counseling; pre-employment services such as world-of-work orientation, labor market

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* Employment and Training Report of the President, 1979, GPO, Washington, D.C., p. 60.

information and job seeking skills; and, vocational exploration in the classroom or in worksite visits. These programs are of moderate cost and longer duration and usually do not have a strong work component.

- Self-directed job search assistance. These projects are relatively short, intensive interventions providing formal instruction in job search techniques with supervision in looking for work. They are primarily for out-of-school youth.

To give an idea of the prevalence of these three clusters of programs in the regular, formula-funded CETA program, consider the following data on CETA Title IV (the Youth Employment and Training Program - YETP) for Fiscal 1981. YETP allowed five primary services: on-the-job training (OJT); classroom training (CT); work experience (WE); Career Employment Experience (CEE); and Transitional Services (TS). The latter two components correspond roughly to the type of services described in this chapter. The official definitions are:

- Career Employment Experience (CEE) - This was unique to YETP and included individuals who either participated in On-the-Job Training or Work Experience and, in addition, were provided career information, counseling, and career exploration services. In the case of in-school youth, placement services were also provided.
- Transitional Services (TS) - This was also unique to YETP. These services were designed to prepare and assist youth to move from a school environment to unsubsidized jobs and includes such services as outreach, assessment and orientation; counseling; dissemination of labor market information; literacy training, GED certificates; job sampling; institutional skills training; transportation assistance; child care and other necessary supportive services; job restructuring; job development; direct placement.

In Fiscal Year 1981, the proportion of young participants who received CEE was 42.4 percent and the proportion receiving TS was 24.3 percent. Only 1.2 percent received OJT, 13.4 percent CT, and 18.7 percent WE. School to work transition and placement services, then, are the dominant mode of CETA services in this CETA Title (Title IV allowed localities the greatest discretion in determining the service mix). Moreover, the TS and CT combination accounted for half of all YETP expenditures in FY 1981*

We turn next to the demonstrations. By examining enriched models of pre-employment, placement, and school-to-work programs, we expand out knowledge of how to improve the regular youth programs run in most local communities.

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* Source: "Title IV Analysis for FY 1981" by U.S. Department of Labor, Division of Performance Management, ETA, Washington, DC, June, 1982.

1.0 Labor Market Preparation with Intensive Job Placement Services

Jobs for Delaware Graduates

The Jobs for Delaware Graduates (JDG) program is basically a transition program designed to provide career counseling, knowledge about jobs, and job placement assistance, for junior and seniors who have been identified as high risk students by school personnel. High risk students are those who are likely to be jobless upon graduation from high school, given their current situation (lack of vocational training, absence of clear-cut career goals, and poorly developed attitudes toward work). Such students are described by the program staff as falling into the middle ground, between college or trade-oriented students on the one hand and handicapped youth (physically, emotionally, or socially) on the other hand.*

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* Data for this section were prepared for the U.S. Department of Labor and Jobs for America's Graduates and have not yet been published in reports. The draft reports are based on special research samples in the Educational Testing Service/Standard Assessment System data base. The original program in Delaware has been replicated in several other states through the Jobs for America's Graduates organization.

Sources used in this section include:
Michael Elecy, and Richard Leone, "Program Impacts of Jobs for Delaware Graduates, Inc., 1979-1980," Center for Labor and Human Resources, Temple University, Philadelphia, December 1981. An update on the 1980-1981 school year is dated October 1982.

MDC, Inc., "Field Reviews" for U.S. Department of Labor, December 1981 - September 1982. These reports track early implementation of the replicated sites.

Andrew Sum, "Post-Program Employment Impacts of Jobs for America's Graduates Program: Findings of Three Month Follow-up Evaluations," January 1983, prepared for Jobs for America's Graduates, Washington, D.C.

JDG is a statewide non-profit intermediary corporation, composed primarily of representatives of the larger firms in the state, educators and a few labor union officials. Its operational staff consists of job specialists and career specialists who are placed in the schools participating in the program. The staff are JDG employees, not employees of the schools to which they are assigned.

The program in Delaware is regarded by observers as unusually well managed by youth program standards. It has achieved strong political and business support in Delaware and is attempting the same in replicated states. It is an organization run like a private business, with considerable accountability among "divisions."

Through career clubs and personal one-to-one counseling, the school-based Job Specialists help youth improve attitudes and motivation, and provide youth with job placement services for part-time after school jobs and full-time jobs upon graduation. Students selected for participation in JDG are not paid stipends of any sort. There are usually between 25-35 students enrolled in the program per school. There are no income eligibility criteria for participation in JDG. The Temple University study suggests that fewer than 20 percent of JDG participants would have been eligible for CETA's YETP program in Delaware.

The program served in 1979-1980 more females (56.2%), white youth (63.0%), and unmarried youth (99.3%). Racial minorities were well-represented, accounting for 37 percent of first year enrollments. Approximately one out of six participants lived in families receiving some form of public assistance. In summary, the JDG participants are economically disadvantaged, but less so than mainstream CETA programs. Their educational backgrounds indicated an average reading proficiency of 9th grade as measured by the California Achievement Test; this is likely higher for the average CETA participant nationwide.*

During the school year, participants attend a special class taught by a JDG specialist who gives instruction in job readiness skills and provides actual job placement. The state and national offices of the organization (JAG) train the job specialists, recommend curriculum, and provide technical assistance. Private businesses are involved through guest speakers, career days and field visits. The state's program board of directors markets the program to private firms and seeks broad community acceptance of the program, especially among school officials.

The actual hours of participation vary greatly from high school to high school, and by participant. The program has to be careful not to compete with regular school activities and the normal responsibilities of high school students. Based on a non-random search of 54 student files during an "accreditation site visit," we learned that, on average, participants spent 16 hours in career association (club) activities, 4 hours on field trips, 20 hours learning employability skills, and 6 hours in individual guidance. On average, these youth spent about 48 hours per year in the program or under 2 hours per school week. Based on an unpublished report of service hours by Andrew Sum for the Jobs for America's Graduate Program (1983), the mean hours of participation are 57 in the JDG program. His data are from a random review of the files of 13 Job Specialists covering 152 youth. The differences between the two figures --48 hours and 57 hours--are reconciled by noting that schools that have allowed the JDG program "scheduled time" tend to have higher service hours than schools where contacts with students are made informally after regular activities and in the school hallways. The lower figure of 48 hours reflects programs on "unscheduled time"; the higher figure an average for all schools.

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* JDG youth were also administered the ETS reading test (STEP) and scored, on average, at 87 percent of the maximum score. The test, however, was designed for CETA youth reading in the 4th-9th grade levels.

To assess the impact of JDG, researchers conducted a three month follow-up survey of the graduating seniors and a comparison group of youth in four high schools not part of JDG (but in the same counties) during Year One of operation (1979-1980). There were 176 comparison group youth and 727 participants used in the DOL funded evaluation analyzed by Temple University and reviewed by Sum (1983). Statistically significant differences were found between comparison and participant groups on race, public assistance receipt, and prior work experience. This was not surprising since the JDG comparison group was more representative of the general high school population than comparison groups drawn from other YEDPA demonstration projects. These differences, along with background variables, were adjusted in estimating the net program impacts reported below.

A summary of the findings include:

1. Three months after the JDG intervention, a significantly higher proportion of JDG participants than of non-participants worked full-time (54 percent to 38 percent). This is a 42 percent greater likelihood of being employed full-time. The program advantage is preserved through a second follow-up survey at nine months. At that time 57 percent of participants worked full-time compared to 45 percent among a comparison group youth. Nearly all (89 percent) of JDG participants worked full or part-time during the nine month follow-up period compared to 69 percent among the comparison group.
2. The largest differences were for minorities; 82 percent had some post-program work experience compared to only 49 percent among

comparison group youth--a 66 percent relative difference. Better readers (those who score above the mean) outperform their comparison group counterparts in job holding over the nine month period (88 percent vs. 77 percent), but it is low readers who benefit the most from the JDG program (89 percent vs. 50 percent report some work experience after the program). In summary, the program enrolls a more advantaged population than regular CETA programs, but raises significantly employment opportunities, especially for minorities and the poor readers served. Finally, these employment effects generally hold in analyses of the second year (1980-1981) of the program, but the effects are smaller.

3. Non-participants showed a higher rate of enrollment in school or training than did JDG participants (22 percent vs. 15 percent). Of those not in school or training, about 85 percent of JDG participants and of the comparison group worked full-time or part-time. However, out-of-school JDG graduates were working on full-time jobs more frequently than were out-of-school youth in the control group. These data are based on the follow-up sample of 548 participants and 136 comparison group youth.
4. There was no statistically significant difference in the quality of the jobs held by the two groups employed full-time at the time of the three month follow-up survey. The bulk of the jobs appears to be entry-level, clerical, service, and fast food positions. These jobs are in the traditional youth labor market.
5. The program appears to improve the efficiency of job finding. Participants get significantly more interviews per application filed than comparison group youth. This difference, however, is likely

tied to the role of the Job Specialists who conduct direct job placement/development on behalf of the youth. Job development is taken seriously by the program; specialists are expected to make at least 10 contacts a week, 7 in person.

6. An examination of test scores of participants and comparison group members on work attitude, job knowledge, and self-esteem tests reveals that JDG participants do improve their Job Holding and Job Seeking skills to a statistically significant degree relative to comparison group members. The gains are, however, quite modest. The gains likely relate to the pre-employment training received in resume preparation, job search techniques, and job interviewing. There are no significant gains by JDG participants on a variety of work attitude, knowledge of world-of-work, or self-esteem tests.
7. During 1981-1982, the Jobs for Delaware Graduates Program was replicated in five state: Arizona, Delaware, Massachusetts, Missouri, and Tennessee by the national organization, Jobs for America's Graduates (JAG). JAG sponsored its own evaluation system, consistent in form with the Department of Labor funded study. Final results for the new multi-site evaluation are not yet available. However, aggregated data from three states (Massachusetts, Missouri, and Tennessee) are available for 1373 participants and 373 comparison group youth. The early unadjusted results show 49 percent of former JAG participants worked full or part-time compared to 38 percent among the comparison group in three months following participation. Differences among sites were considerable.

Jobs for Youth and 70001 LTD

In contrast to the JDG emphasis on youth about to graduate from high school, several other demonstrations offered pre-employment services and placement assistance to out-of-school youth. We are able to cite results for 1979 from an evaluation of two such programs--Jobs for Youth (JFY) and 70001 LTD. Both are programs run by non-profit corporations and were evaluated by the Corporation for Public/Private Ventures. The programs possess some similarities and some fundamental differences.*

Both programs serve youth 16-21 years of age, the vast majority of whom are drop-outs. The programs are involved in job development and job placements. Both also provide youths with career counseling, job readiness training and limited amounts of remedial educational services. Neither program provides allowances to participants and no special subsidies are paid to employers. Both programs pride themselves on the close contacts between program staff, employers, and young employees, even after youth have officially left the programs.

Each program has a unique history. Jobs for Youth began as a civic program in New York City in 1958 and now operates in New York, Boston and Chicago. The New York City JFY program operated in 1982 with a 1.2 million dollar budget, with 85 percent of the money coming from private sources and 15 percent from public funds. The 70001 LTD program began in 1969 and had over

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* Sources for this section are:

"Final Report: The Impact of Pre-Employment Services on the Employment and Earnings of Disadvantaged Youth," by Corporation for Public/Private Ventures, Philadelphia, PA, April, 1982.

Andrew Sum, "A Review of the Impact of Pre-Employment Programs on Disadvantaged Youth," for Brandeis University, 1982.

50 local programs by the late 1970's. The program was originally funded by the private corporation, Thom McAn Shoe Company. The corporate sponsor collaborated with the organization Distributive Education Clubs of America (DECA) to develop a program to assist out-of-school youth find productive jobs in the distributive trades.

The programs do differ in their basic approach. Jobs for Youth (JFY) is a high volume program for large cities; they try to serve 500 youth per site. Their emphasis is on rapid placement, building on research that shows that "work experience" is a key predictor of economic success among teens. JFY is willing to place youth two and three times in different jobs. An evaluation of the program, for example, recorded 1.6 jobs per placed participant in a follow-up survey. The major idea behind the program is to quickly move youth into jobs through intensive placement services. A typical JFY youth received less than 17 hours of education or counseling services. Program hours, then, are even fewer than in the Jobs for Delaware Program.

70001 LTD programs are smaller in size at 50 to 125 participants per site. It is a more structured program with more weight placed on job readiness training, socialization programming, and GED/basic education. For example, the average 70001 participant received 17.4 hours of service hours in education as compared to only 5.5 hours in JFY. Overall, the average 70001 participant received 59 hours of service from 70001, with a 16 hour minimum classroom training module called Pre-Employment Training (PET). The latter is focused on preparing for labor market entry. After "graduation," youth are placed in jobs in a more individualized fashion.

The average age in both programs is 19. In JFY, four out of ten participants are women; the proportion is six out of ten in 70001. 70001 also serves more minorities (87% vs. 67%). Virtually all of 70001's participants are dropouts, whereas it is 87 percent in JFY. Both programs give an ABLE reading test and typically, youth score at a 6th grade level in both programs.

The evaluation by the Corporation for Public/Private Ventures is based on nine- and 14-month post-intake surveys. For purposes of the study, termination was defined as six months after intake (80% of participants had completed the program by this point). Thus, the study is really based on a three- and eight-month post-program survey. There were 222 youth in JFY, 222 in 70001, and 598 in a comparison group of youth who sought assistance from the local Employment Job Service or CETA during the same period. The study also utilized interviews with 245 employers who hired the youth and some employers who were approached but did not hire the youth. The follow-up analysis covers 1979 and was limited to one JFY site (Boston) and five 70001 sites (Atlanta, Boston, Richmond, Tulsa, and San Antonio).

The researchers examined whether there were significant differences between the participant samples and the comparison sample. There were some differences; for example, in the JFY sample, participants were significantly older than their comparison group counterparts while comparison group youth had completed more grade levels. These differences were not large (e.g., 6 months difference in age) and were adjusted in the analysis of key findings.

The major labor market outcomes from the 9 month follow-up study are summarized below.

1. Program participants clearly outperformed the comparison group. After adjusting for personal characteristics, such as age, race, sex, and education, participants (JFY and 70001 LTD pooled) had twice as high a full-time job finding rate as the comparison group members (39 percent vs. 19 percent). Comparison group youth, however, were more likely to be employed part-time. Program participants also received a higher hourly wage ($4.31 vs. $2.41) and more often held jobs with generous fringe benefits.

On the average, program participants earned $22.08 more per week than the comparison sample. (On an unadjusted basis, the difference was only $7.00 per week--$128.83 versus $121.89.) JFY showed a particularly marked gain with youth earning $28.08 per week more than the comparison group, while 70001 youth outearned comparisons by $14.15 a week. 70001's lower wage gains may be partially explained by its high female enrollment.

The majority (over 60 percent) of the programs' impact on the earnings of youth was the result of a greater probability of working. The remaining percent was due to either higher wages and/or longer working hours. A special analysis showed that those participants who stayed in the program longer obtained higher weekly earnings; about $1.00 more in weekly wages is obtained for each additional week spent in the program.

2. Other significant findings were that participants were somewhat less likely than comparison group members to receive unemployment benefits (2 percent versus 5 percent), they spent less time in job search than comparison members (4.5 weeks versus 6.5 weeks), and were less likely to hold a CETA job at the time of interview (4 percent versus 10 percent).

3. The evaluators used two approaches to measure the cost-effectiveness of the pre-employment programs: an analysis of unit costs and an analysis of the "payback" period required to recoup the costs of the initial investment. An analysis of unit costs showed that the aggregate cost per participant for the two program models was $1011, with 70001 LTD having a higher cost per participant than JFY ($1352 versus $749). The cost per participant placed was $1684, with 70001 again having a higher cost than JFY ($2387 versus $1153). The costs per participant were about $1000 less than typical CETA YETP programs. They were, however, similar to self-directed job search programs (reported later in this chapter). The Cambridge Job Factory, for example, had a cost per participant of $989 of $22 per head less expensive than the JFY/70001 pooled figures and cost per placement of $1716 or $30 a head more expensive. Youth in the two pre-employment programs are able to pay back the cost of the program in terms of their increased earnings in about one year.*

4. As noted above, the evaluators interviewed a sample of 245 employers who hired at least one youth from the programs and 177 employers who had been contacted by the program but did not hire any youth. The purpose of these interviews was to gain insight into employers' hiring practices, their motivation to work with the programs, and their views of the youth and the programs.

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* One limitation to the methodology used for determining unit cost is that the cost data are based on the full number of participants in both programs with placement data extrapolated from the follow-up sample to the larger data set. This assumes that the follow-up sample is similar to the entire group of participants, which is unlikely.

The average firm hiring dropouts from JFY and 70001 was a small, non-unionized business with about 100 employees. A significant proportion of its workforce (between 36 and 46 percent) was in entry-level unskilled positions and between a quarter and a third of its total employees (and the majority of its entry level workers) youth. The dominant types of businesses were retail trade, services, restaurants, and manufacturing firms. JFY tended to place a higher proportion of its youth in manufacturing and wholesale trade than 70001 (29 percent versus 7 percent). Conversely, 70001 tended to place more youth in restaurants (36 percent versus 23 percent). 70001 also tended to utilize franchises and chains more, which may very well reflect the active role that its national office plays in job development.

There were few differences in the characteristics of firms accepting and refusing youth from these programs. The most common type of refusing firm was in retail trade. Accepting firms, particularly in JFY, had a somewhat higher proportion of minority workers. About 10 percent of the JFY refusers' labor force was non-white while participating firms had a quarter minority workers. This suggests that racial bias may be a factor operating against employer participation.

The JFY program bills itself as an employment service and stresses its ability to deliver promptly a qualified candidate thus reducing hiring costs and minimizing turnover problems. The data show that the majority of employers indicated pragmatic reasons for using JFY such as labor force turnover problems (46.8 percent), pre-screened youth and reduced hiring costs (15.6 percent), and immediate availability of a worker (10.7 percent). In addition, 17 percent of the participating employers listed community and civic pride as the primary incentive. The reasons employers gave for involvement with 70001 were less clearcut with 40 percent citing no particular reason or a hazy category of "other." Among 70001 employers who did cite a specific reason, the response pattern was similar to JFY.

The most disturbing findings occurred when employers were asked to compare program youth to other workers in similar positions. While employers felt that participants got along well with their co-workers and supervisors, a significant number of program youth, particularly from JFY, were considered to have worse work habits than their co-workers. For example, 46 percent of the employers rated the youth as having a higher absentee rate, 43 percent said that they were less punctual, 33 percent said that they were lazier and "goofed off" more, and 31 percent said that they had a higher quit rate. The research does not reveal whether the employers are comparing the youth to other young people or to older workers. Nevertheless, these findings suggest why youth frequently encounter problems in job retention.

5. Do the largely positive results from JFY and 70001 hold over time? The researchers conducted an 8 month survey (post-termination and

> therefore 14 months after intake). Significant decay in employment outcomes was recorded for one program, JFY. In fact, at 8 months, there were no significant employment advantages in favor of JFY participants. 70001 participants, however, were 14 percent more likely to be employed at the long-term follow-up. The 70001 participants also maintained their earnings advantage. They earned $24 more than their counterparts 1 year and 2 months after starting the program. In particular, males and minorities gained the most in the long-run from 70001 LTD.

Consider now some of the major conclusions from the research on JDG, JFY, and 70001 LTD. First, all the programs appear to be successful, at least in the short run, in combating "frictional unemployment" among a segment of disadvantaged youth. The programs succeed primarily by "speeding up" the placement of disadvantaged youth into unsubsidized employment. The programs simply assist young people in getting access to firms faster than they could through their own job search (teaching youth how to look for work directly without assistance from the program, is reported later). Second, with the exception of 70001, the most dramatic employment gains are in the first few months after program termination. Third, the programs do not shift young people into jobs that are radically different than those obtained by the comparison groups. The "youth labor market" is not easy to avoid; participation in intensive placement programs doesn't make a difference in that sense. Fourth, the programs do attract youngsters without providing stipends. Particularly in the case of JFY and 70001, dropouts do come forward for placement assistance. This has special significance for strategies authorized under the Jobs Training Partnership Act. Fifth, the programs generally do target to those youth most in need. Sixth, the programs are able to develop private sector jobs for in-school and dropout youth without special financial incentives. The private sector hires young participants to solve normal human resources problems, but community involvement also motivates many employers. Moreover, the programs build a network of employers who repeatedly hire the participants. The programs, in other words, play the traditional role of a labor market intermediary where no other effective community models exist. Finally, the programs work for a variety of youth, especially males and minorities.

At the same time, the programs are not a panacea. Hours of participation are generally low, educational enrichments are of marginal importance, and instruction in occupational skills is either marginal or not part of the service mix. One impression is that pre-employment and school to work programs with intensive placement owe their short-term success to the placement component and secondarily to the peer interactions and counseling.

2.0 Career Development and Vocational Exposure

The Youth Career Development Projects

The Youth Career Development Projects (YCD) were among the earliest and largest of CETA's demonstration activities. The purpose of the YCD evaluation was to test if enriched career development services would enhance the school to work transition for low income in-school youth. Career development services included employability curricula, testing, counseling, classroom training in the world-of-work readiness, labor market information, personal nd character development, and information about jobs and employers. Community-based organizations and public agencies recruited disadvantaged and hard-to-employ youth and provided school-based career development services.

Six delivery agents were responsible for the operation of the YCD demonstration program: the National Urban League, the National Council of Negro Women, SER Jobs for Progress, the Recruitment and Training Program, the Women's Bureau of the Department of Labor, and the U.S. Employment Service. YCD served approximately 7500 students in 30 cities. The YCD population was approximately 60 percent black, 20 percent Hispanic and 15 percent white.

The programs were designed to serve high school juniors and seniors who were from disadvantaged (e.g., CETA qualified) backgrounds. The guidelines suggested that no stipends were to be paid for participation, although in a few instances the school to work transition services included some subsidized part-time employment. Some of the sites served special groups of youth; young women, for example, were the focus of the Women's Bureau program and Hispanics were primarily served by SER. Program guidelines led to service hours of about 20 hours per month.

The YCD sites utilized procedures to assign youth to comparison groups in all sites. Documentation is poor regarding the use of assignment procedures.

Comparison group members were not as a rule randomly assigned but, rather, were matched to the participant group at each site as closely as feasible by choosing within the same grade level in equivalent proportions with regard to sex and socioeconomic background factors. Whenever possible, youth were chosen from the same school.

One measure of effectiveness is the employment gains of participants relative to nonparticipants. But because the emphasis in such programs is on world-of-work readiness rather than actual job placement, an intermediate objective of the program is the in-program gains made by participants from time of entry to program exit. These gains--expressed as changes in work-related attitudes and knowledge areas--have been assessed by the Educational Testing Service. ETS' findings are based on a comparison of an experimental group of 1755 high school seniors enrolled in YCD during the 1978-1979 academic year with a control group of 1674 high school seniors.*

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* See Youth Knowledge Development Report 6.2, The Initial Findings of the Youth Career Development Program. For a technical review of the measurement tools developed for his project and used in many other YEDPA demonstrations (called the Standard Assessment System), see Youth Knowledge Development Report 1.6, The Standardized Assessment System for Youth Demonstration Projects.

The data in this section cover Phase I of YCD (1978-1979) and is limited to seniors. Participants were defined as those who remained 60 hours or longer. The academic year was used as the basis for the pre- and post-testing. Therefore the 3 month post-program follow-up was usually in the early fall following the graduation of seniors. See also ETS Report #2, "Assessment of YCD - Phase I," September 1980 submitted to U.S. Department of Labor.

All results reported in this section are adjusted for differences between treatment and comparison group members, including background factors and reading ability.

Do the enriched career development services, in contrast to the intensive placement approach, result in significant employment effects? The findings from the YCD evaluation showed that there were no meaningful differences in the numbers of seniors employed full-time (regardless of school or training program status) between YCD youth and control group youth at three and eight months after the program.* However, when youth enrolled in school or training programs were excluded from the analysis, there was a 6 percent difference in the percentage working full-time. On this basis, the advantage of YCD youth over control youth remained at three months and at eight months after the program.

These data indicate that unlike the employment-oriented placement programs (JDG, JFY, and 70001), the enriched career development projects result in statistically significant, but rather small post-program employment gains for participants. Now consider the probability of not working and not engaged in training or education. At three months, the figure for YCD youth is 5 percentage points higher among control group youth (10 versus 15 percent) and 5 points higher again at eight months (5 versus 10 percent).

In terms of intermediate impacts, participation in the YCD program led to small, but statistically significant gains in the attitude and knowledge areas as measured by a psychometric battery of tests. Specifically, ETS found significant gains for YCD participants in the following areas: vocational attitudes, job holding skills, work attitudes, job seeking skills, and attitudes about occupational sex-stereotyping. These gains from the three month survey are discussed in greater detail in Chapter 8. "Do Work Attitudes Matter?"

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* See "Eight Month Follow-up Evaluation of the Youth Career Development Program for School-to-Work Transition," Norman Freeberg and Donald Rock, Education Testing Service, Princeton, NJ, February 1981.

Do these program gains in work-related attitudes and knowledge areas show a positive correlation with post-program market experience? Based on the three month post-program follow-up, ETS found that with the exception of participants in one YCD project, none of the gains in attitude and knowledge areas were related to full-time employment status. Thus, even when the socialization programming results in significant gains in attitudes and knowledge areas, the gains do not generally account for the marginal improvement in full-time job holding.

The YCD evaluation begins to discriminate between impacts for various groups of youth served by the YCD projects. In brief, program participation yielded the greatest benefits (in knowledge areas and employment) for youth with at least a minimum reading level and youth from the lowest socio-economic backgrounds.

In conclusion, the YCD programs for seniors (Phase I) seem to yield significant but undramatic employment outcomes. For every hundred entrants, six more of the experimentals than the controls are employed full-time three months after the program. Similarly, modest gains in knowledge areas and attitudes occur for young persons completing these in-school career development projects.

Another study by ETS examined juniors who continued in YCD into their senior year (and therefore were in YCD for two years) and a second sample of new seniors from the second year of the program (1979-1980). The idea of this study was to see if the program, repeated for some youth a second year, and now a two year old program for all youth, would result in more dramatic benefits. Surprisingly, there were no significant attitude/knowledge area changes among the "two-year" participants in Phase II and only two significant changes among the full battery of tests for new seniors (on Job Holding and Job Seeking

Skills). As in the first year study, the latter changes were not related to subsequent employment outcomes at three months. With respect to employment outcomes at 3 months, there were none. The study discusses how the second year of operation was probably worse, rather than better, than the first year due to personnel problems and difficulties in keeping the momentum of a good social experiment going.*

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* Evaluation of the Youth Career Development Program for School-to-Work Transition, Phase II: Replication with Junior and Senior High School Cohorts," by ETS, Norman Freeberg and Donald Rock, Technical Report #2 to the U.S. Department of Labor, Washington, DC, January 1982.

An eight month follow-up of this Phase II YCD Study is described in Freeberg and Rock, "Eight Month Follow-up Evaluation of YCD" - addendum to ETS Technical Report #2. Despite the problems of the Phase II itself, and serious survey attrition problems (67% overall from enrollment through the eight month survey), the analysis describes employment and survey effects at eight months among Phase II participants.

National Puerto Rican Forum School to Work Demonstration

The Department of Labor sponsored an additional career development demonstration, the National Puerto Rican Forum School to Work Demonstration (NPRF).

The mission of the NPRF was to provide support services to Puerto Rican and other Hispanic students in their senior year of high school. The objectives were to help young people to better understand their potential, facilitate the transition from school to work, and to help young people select appropriate careers. Services included a mix of teaching/counseling activities using a specifically designed curriculum guide. Also lectures, films, career information and exposure to part-time work experience were provided. The student participation was designed at 5 hours per week during the course of the school year.

The goal was to enroll 150 youth in each of three sites. However, in one site (Chicago) the program began quite late and in two other sites (South Bronx and Jersey City) the program didn't begin at all until the second semester of the 1979-1980 school year. The variation in student participation was large; the number of actual contract hours was less than 30 hours in all three sites.

Random assignment for research purposes was abandoned when enrollees began late and the number actually enrolled were fewer than originally planned. As a consequence, the ETS analysis of the Year 1 program for seniors is less reliable than the second year report for 1980-1981.* Presumably, the second year program was administered better than Year 1. The second year served 430 freshman rather than seniors, in 5 sites (Jersey City, South Bronx, Chicago,

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* Assessment of the National Puerto Rican Forum School to Work Program - Year 1 1979-1980 by ETS, Technical Report #11, September 11. Year 2 Assessment, 1980-1981 Technical Report #20, October 1982.

Hartford, San Juan). The service hours were approximately 33 hours during the school year, with great variance by site (10 to 52 hours). The sample of participants was 43% male and 83% persons of Hispanic origin.

There were 460 comparison group youth in the 5 sites used for the evaluation of the Year 2 NPRF project. The following results control for differences between treatment and comparison groups.

The analysis of gains in work attitudes/knowledge areas reveals an unusual pattern; youth taking all 7 tests (vocational attitudes, job knowledge, job holding, work attitudes, job seeking, sex stereotyping, and self-esteem) improved on all as a result of program participation. The results are significant at the .01 percent confidence level. The latter are pooled results across all five sites. In fact, however, there was considerable variation among sites with only one site having the same pattern as the pooled results. Moreover, the positive result is at considerable variance with the first year report where there were no documented significant gains. Nonetheless, a tentative conclusion is that young (Freshmen) Hispanic youth benefit greatly from this type of socialization program at least in terms of gains in knowledge and work attitude. Apparently, the freshman benefit more than the Year 1 seniors.

Consider now whether youth in the 3 month follow-up period had work experience. The data, adjusted for English-speaking ability among other factors, shows a significant treatment effect at the .05 percent confidence level. About 40 percent of former participants in the next fall report some work experience (over the summer) as opposed to 29 percent of the comparison group. As in other analyses by ETS, better readers and youth who received more program hours gain the most in employment.

Vocational Exploration Projects (VEPS)

VEPS was a demonstration project under YEDPA co-sponsored by business and labor groups. The program operated as a special component of the summer program (SYEP) as well as a year round program for both in and out-of-school youth. It was run by eight community groups, four prime sponsors, two labor unions, a college, and a Private Industry Council. VEPS sought to acquaint young people with a range of opportunities that exist in the private sector. Through vocational exploration, counseling, and occupational information, VEPS attempted to motivate youth to find jobs in the unsubsidized private sector. Exploration was carried out through a variety of models ranging from visits to private sector work settings to job shadowing to simulating work settings in classroom settings. Early research results are available for the academic year 1979-1980 based on 1905 youth. Although there were no control groups, different VEPS models may be compared with one another. The VEPS demonstration under YEDPA described above was not the government's first involvement with the model. We review the history and research on VEPS since this model frequently interests business groups and is likely to be of interest during the new Jobs Training Partnership Act.

Pre-YEDPA/VEPS Programs

Vocational Exploration in the Private Sector programs first operated from 1971 to 1973. As a national demonstration effort, VEPS was developed under the aegis of the Department of Labor (DOL), the National Alliance of Business (NAB), and the Department of Health, Education and Welfare's Office of Education. VEPS served Neighborhood Youth Corps (NYC) in-school participants identified as potential dropouts.

The major VEPS Program components were counseling, remedial education, orientation to the world of work, career exploration through observation and job shadowing, trial on-the-job training (OJT) at private sector worksites, and experience in the production of marketable goods and services. VEPS activities began during the summer and continued through the following school year. Allowing career exploration, OJT, and productive work experience in the private sector represented a significant and innovative departure from the existing NYC program activities, which previously restricted participants to the public sector. In 1971-1972 VEPS I was operated in eight cities, and expanded to twenty cities in 1972-1973 (VEPS II).

On the basis of a comparison of the VEPS youth with youth from similar backgrounds, the program accounted for statistically significant gains in the following areas:* reduced tendency to drop out of school and increased graduation rates; improved academic standing; improved school attendance patterns; improved disciplinary status; realistic attitude development and growth in individual responsibility; private sector work experience not easily available to the target population; and increased post-program employment rates.

The use of private sector placement in VEPS introduced the problem of recruiting private sector sites. The experience of VEPS demonstrated that smaller employers were more receptive to the program goals and were more readily recruited through personal contact. Furthermore, smaller employers often took a direct interest in program participants and were more willing to handle problems in a less rigid fashion than larger firms. More than two thirds (67%) of participating VEPS employers had less than twenty employees.

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* Information on VEPS was gathered from Vocational Exploration in the Private Sector: Final Report and Assessment, 1971-1972, St. Louis University Center for Urban Programs, Donald P. Sprengel, E. Allan Tomey, 1973; and Vocational Exploration in the Private Sector: Final Report and Assessment 1972-1973: Comparison of Impact of the Pilot and Second Experimental Years, St. Louis University Center for Urban Programs, Donald P. Sprengel, E. Allan Tomey, 1974.

Although the year-long VEPS Program offered the participants only 60 hours of vocational exploration activities, it established the foundation for later enrichments and refinements to the vocational exploration concept.

Vocational Exploration Program (VEP) Pilot Projects

During the summers from 1976 through 1978, the National Alliance of Business (NAB) and the AFL-CIO's Human Resources Development Institute (HRDI) co-sponsored VEP Pilot Projects with funding provided by the U.S. Department of Labor (DOL). VEP began as a national pilot program serving 236 youth in eighteen cities. In 1977, VEP expanded to 63 cities and served 5000 economically disadvantaged youth. The 1978 summer effort maintained operations in 63 localities through 135 programs serving 6700 participants. These programs offered for the first time special programs for handicapped youth and youthful ex-offenders. VEP represented an alternative to the traditional CETA Summer Program for Economically Disadvantaged Youth (SPEDY) by focusing on building employability skills and offering youth experience with private employers.

Unlike the earlier VEP, the NAB and HRDI VEP series was designed solely for vocational exploration and did not include work experience or OJT. Along with vocational exploration, VEP program provided instruction on: techniques to find, obtain, and keep a job; the relationship between education and employment; the principles and practices of business and the free enterprise system; labor-management issues and practices; labor history; and, the collective bargaining system. In addition, enrollees often received counseling.

Vocational Exploration Demonstration Project (VEDP) Under YEDPA

VEP guidelines put minimal constraints on program operators, encouraging innovation and local flexibility. Nevertheless, field visits to summer 1978

VEP sites by NAB and program evaluator staff, as well as by representatives from DOL's former Office of Youth Programs (OYP), revealed that patterns were emerging with common trends that could be refined into model types. It was felt that stronger definition could identify program activities and service appropriate and unique to vocational exploration to further distinguish this model from work experience, classroom training, OJT, cooperative education, and work study. Furthermore, vocational exploration's potential year-round value was considered. With the legislative mandate of the Youth Employment and Demonstration Projects Act (YEDPA), DOL mounted an intensive research and demonstration effort around the vocational exploration concept.

VEDP ran from the summer of 1979 through the summer of 1981, with sixteen sites operating across the country in the first year and thirteen sites in year two. Five program models were developed from the various approaches observed and reported in previous summer VEP efforts. These models included: On-site Exposure; Simulated/Lab Exposure; Employability Skills Development; Combined Exposure; and Extension. Program length was 400 hours for On-site and Combined Exposure, 320 hours for Simulated/Lab Exposure and Employability Skills Development, and 800 hours for Extension. Each of the sites implemented a specific program design based on one of the models. All of the local subcontractors ran three components each year, one serving in-school youth, another serving out-of-school youth, and a third, offered during the summer, for both in-school and out-of-school youth. Within each of the three components at every site, all youth received the same mix of activities and services called for by the specific program model being operated.

VEDP Models

On-Site Exposure is occupational exploration through actual placement at a private sector (or public sector if necessary) employer's place of business for worker shadowing, job/task observation, limited practical "hands-on experience," and rotation.

Simulated Lab Exposure is occupational exploration through classroom activities, "survey style" vocational training, limited skill instruction and simulated or "laboratory" mock-up work conducted at union trade instruction institutions, vocational-technical schools, skill training centers, or community colleges. Also included are work sampling techniques and vestibule "off-line" modules at industry training facilities.

Employability Skills Development is occupational exploration which combines several activities within an integrated program. These activities may include, but are not limited to: field trips and tours of businesses and industries; films and other audiovisual presentations; speakers, seminars, and panel discussions; occupational and vocational information; orientation to the local labor market; computerized learning; instruction on how to find, get, and keep a job; sessions on survival skills, especially those related to employment; and youth projects.

Combined Exposure entails the operation of various mixtures of the three basic types of VEDP models.

The Extension Model provided On-site Exposure or Combined Exposure over a twelve-month period of time, encompassing the entire school year and the following summer. It was not operated in the second year of VEDP.

In the first year of VEDP (VEDP I), all five program models enrolled CETA YETP (Youth Employment and Training Program) eligible youth ages 16-21, with an emphasis on recruiting juniors and seniors in high school for the In-School component. Participants were selected randomly for each component in accordance with research procedures. In the second year of VEDP (VEDP II), local operators were further stratified into one of three tiers limiting enrollment to certain target populations. Tier I program targeted youth by needs and competencies, and Tier II programs selected participants on the basis of previous work experience. Tier III program operators recruited and selected youth randomly as they did in the first year, but also added control groups.

The research component of VEDP, was designed to answer a number of practical questions about which youth benefit most from vocational exploration and which specific program model produced the greatest impact on participants.

VEDP Findings

Although the final research on VEDP has yet to be released there is a great deal of available data on the impacts and operation of the program.* This section will summarize many of the interim findings in the following areas: attitudinal and cognitive gains, impacts on schooling and employment, and lessons for program implementation.

Attitudinal and Cognitive Gains

Although a vocational exploration program may have a number of goals, its most immediate goal is to increase knowledge about the world of work and career opportunities. To measure the impact of the program in this area, a battery of tests were administered to participants before program start and at program completion or termination.

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* As of this writing, there are findings for the following VEDP cycles: Summer 1979, Fall 1979, 1979-80 Academic Year; 1979-80 In-School Extensions (12 months) and Summer 1980. Reports on the programs were written by Brian Nedwek, J. Terence Manns, E. Allan Tomey, St. Louis University Center for Urban Programs.

The VEPS program evaluators have found that, generally, participation in the program has led to statistically significant gross gains in almost all attitudinal and cognitive areas. There are, however, certain groups of participants who seemed to benefit more from VEDP. For example, reading ability was positively correlated with improvements in work-related attitudes and knowledge. Another finding relating participant characteristics to program gains was that, in general, better educated (having 10 or more years of school) and older (19 and older) youth experienced larger gains than their less educated, younger counterparts. In addition to minimal reading ability, therefore, successful VEDP participation seems to presuppose some measure of maturity. The program evaluators conclude that "older enrollees . . . perceive the curriculum as related to life success." As might be expected, those who completed the program were far more likely to experience attitudinal and cognitive gains than early terminees.

Program Impacts on Schooling and Employment

Although the direct goal of VEDP is to improve work-related attitudes and knowledge, the fundamental rationale for the program is that such attitudinal and cognitive gains, as well as other aspects of the program, will have a positive effect on subsequent schooling and employment. This section will briefly consider some representative findings on raw changes in the employment and schooling status of VEDP participants, the relationship of attitudinal and cognitive gains to employment gains, and the relative success of the various VEDP program models.

Table 7-1 presents the status of VEDP participants at the time of a 90-day follow-up survey. By itself, of course, this information provides

TABLE 7-1

VEDP Participant Outcomes at 90-Day Follow-up

Component	N/Percent Contacted	Percent Employed Full-time	Percent Employed Part-time	Percent in CETA Training Programs	Percent In School	Total Positive Percent	Total Negative* Percent	Percent Not In Labor Force
Summer 1979	746/72	14.6	20.5	3.4	45.4	83.9	14.5	1.6
Fall 1979	508/70	23.4	13.4	2.3	27.8	66.9	31.3	1.8
Academic Year 1979-1980	1323/70	20.3	14.5	1.6	28.2	64.6	34.1	1.3
Extension 1979-1980	122/70	NA	NA	NA	NA	81.2	18.0	0.8

* Negative status reflects unemployment or incarceration

NA = Not Available

little insight into the impact of the program, aside from allowing a raw comparison of program outcomes by VEDP component. Table 7-2, however, does present information about post-program gains in schooling and employment among VEDP participants. As can readily be seen, more VEDP participants were working and were enrolled in school or a training program after participation in VEDP than before. For example, while only 14.7 percent of the 1979-80 VEDP in-school participants had had any work prior to program enrollment,

TABLE 7-2

VEDP: Pre- and Post-Program Employment and Schooling History (all 1979-80 VEDP Combined)

	In-School Youth[a]	Out-of-School Youth[b]
Percent with some work experience 90 days prior to VEDP	14.7	24.6
Percent in activity status at 90-day follow-up:		
Status 1	10.7	40.3
Status 2	42.8	15.4
Status 3	39.7	14.7
Status 4	6.8	29.6
Percent working	50.4	55.0
Percent in-school or training	82.5	30.1
Percent in activity status at 240-day follow-up:		
Status 1	14.3	48.0
Status 2	33.1	11.8
Status 3	46.7	19.0
Status 4	5.8	21.2
Percent working	61.0	67.0
Percent in school or training	79.8	30.8

[a] Youth in school at program start.

[b] Youth out of school at program start.

Legend

Status 1 = Working, not in school or training program.
Status 2 = In school or training program, not working.
Status 3 = In school or training program and working
Status 4 = Not in school or training, not working.

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over 50 percent were working 3 months after leaving the program--many combining school and work. Results are equally dramatic for out-of-school youth. In the three months prior to VEDP participation, about 75 percent of these youth were neither working, nor in school. At the time of the 3-month follow-up survey, however, 55 percent of the out-of-school youth had a job, and 30 percent had returned to school or entered a training program. The VEDP post-program gains do not appear to fade over time. At the time of the 8-month follow-up survey even more VEDP youth were working than at 3 months after leaving the program. While it should be noted that the absence of a control or comparison group vitiates any precise measure of the contribution of VEDP to these post-program gains, the size of those gains strongly suggests that VEDP made a difference for program youth.

VEDP participation also appears to have had an impact on wages. Of the 650 youth employed at the 90-day follow-up for the academic year 1979-80, 47 percent were working at the minimum wage and 47 percent were working above the minimum; before participation in VEDP, 84.2 percent had received the minimum wage on their last job.

Do the program gains in work-related attitudes and knowledge seem to contribute to gains in work experience? The program evaluation report for the 1979-80 In-School Extension programs offers some answers. An analysis of the correlation between in-program attitude and knowledge gains and post-program employment gains found that improvements in work-relevant attitudes, self-esteem, self-confidence and socialized attitudes translate into increases in total weeks of employment in the three months after leaving the program. In addition, gains in self-esteem, self-confidence and socialized attitudes appear to translate into higher wages in post-program employment.

Finally, VEDP was designed to test the relative effectiveness of a variety of vocational exploration models. The available findings from the first year of VEDP operation (1979-1980) offer some provisional conclusions. For the VEDP cycles operated in Summer 1979, Fall 1979, Academic year 1979-80 and Summer 1980, the most consistently successful model for improving work-related attitudes and knowledge was the Employability Skills Development model, while the Combined Exposure model also tended to produce gains in these areas. Findings concerning program model effects on employability are a bit more complex. When data on program effects are focused on participant sub-groups, however, some significant findings emerge. The most definitive findings indicate that while the Combined Exposure model did the most to insure post-program employment of out-of-school minority males, the On-site Exposure model worked best for in-school minority youth.

Lessons for Implementation

During the two years of VEDP operation, much was learned about the general and specific problems associated with the operation of particular vocational exploration program models. Given the extensive information collected, the following is a summary of general key findings organized by program model.

On-site Exposure was probably the most common vocational exploration format presently in use by prime sponsors and educational institutions. In VEDP, it was found that:

- worksite development requires much planning and lead time;
- limited practical "hands on" experience was preferred over worker shadowing and job/task observation;
- instituting "hands on" vocational exploration instead of work experience is a constant struggle requiring continuous oversight and reinforcement;

- rotation is resisted by employers and enrollees; getting their cooperation and acceptance is important;
- employers' personal interest in the program and the participant, as well as close supervision and positive interpersonal contact are indicative of the "best sites";
- the shorter amount of In-School program site time received mixed reviews, with business people either feeling it was too short to be really meaningful or "fine" because it did not demand too much from supervisors.

Simulated Lab Exposure is quite useful in localities that lack a business and industry mix sufficient to support the private sector worksite approach, or have other impediments to placing program participants on "line." During VEDP it was discovered that:

- availability of suitable facilities, equipment, space, and instructors is a major concern, and requires careful planning and advance work;
- instructors are often recruited from the facility used;
- enrollees and activities are easiest to manage because they are generally in one location;
- similarity to school must be avoided, both for in-school youth who have been in the classroom all day, and for out-of-school youth who are easily frustrated by the traditional classroom setting;
- active involvement of participants, innovative instructional techniques, and creative simulated activities are needed to maintain a high level of interest;
- this model is the most expensive to operate.

A full Employability Skills Development program model is probably the hardest of all the VEDP types to design, and certainly requires the most ingenuity. After studying this model, the program evaluators determined that:

- program length makes it difficult to maintain the concentrated level of effort needed to occupy and stimulate enrollees;
- fusing various program elements and youth projects into a unified whole with a consistent focus, as opposed to an integrated series of activities, requires careful planning and constant management;
- it is helpful to plan activities, (such as projects and field trips) that directly explore particular jobs, occupations, and career options, as well as expose youth to the broader labor market and world of work.

The VEDP Extension model was designed to facilitate the comparison of a vocational exploration experience over a twelve-month period with similar activities and services offered for shorter periods of time. The program evaluators concluded that:

- youth were more difficult to recruit for the 800-hour Extension Model than for the regular 400-hour program because participation included the entire school year and the following summer;
- participants, all of whom were in school, experienced the same conflicts between program and school activities as the in-school enrollees in other models. However, the extended time period intensified termination problems;
- program operators had some difficulty making the transition from the school year phase to the summer phase;
- even Combined Exposure programs providing On-site and Simulated Lab Exposure coupled with Employability Skills Development could not sustain a high level of enrollee interest over the 800 hours;
- this model required much greater effort to develop the additional work-sites and vocational exposures necessary for the second 400 hours;
- in the opinion of program staff and participants, the objectives of a vocational exploration program could be achieved in far fewer hours than the Extension strategy provided.

Combined Exposure offers more alternatives for meeting participant needs and local circumstances. However, this type of program is particularly difficult to implement. In VEDP, it was found that:

- the effective organization of program time requires considerable effort;
- the biggest scheduling difficulty is presented by in-school programs of a multi-model nature;
- individualized counseling contacts are harder for in-school than out-of-school components of all models because of time limitations and other enrollee commitments;
- integrating the different model approaches is a substantive and procedural issue;
- On-site Exposure fits well with Employability Skills Development, while it is often difficult to match the Simulated Lab model to other designs.

VEDP and the Private Sector

VEDP career exploration placements were in private firms. As national policy and local practice move to involve the private sector more actively in youth employment and training programs, the experience of VEDP can be instructive for future efforts. During a time of relatively high unemployment VEDP succeeded in motivating private employers to participate in the program. In part, these employers were helping to shape their future workforce. Although these employers did not pay participant allowances, their in-kind contributions of time, energy, materials and resources were costly. The following tables (7-3 - 7-5) indicate reasons for participating in VEDP cited by a sample of employers from VEDP I and II.

Typically, small businesses predominated among VEDP sites. Close to 70% of the participating firms employed fewer than 100 people, and nearly half were local employers, with the other half being regional or national in focus. Another indication of the size of firms participating is the number of VEDP youth placed in each site.

Although firms participating in VEDP were, on the average, small businesses, they represented a wide variety of occupations for vocational exploration, employers in both years of VEDP provided an average of about 2.7 different job classifications per site for youth to explore. Table 7-5 indicates the relative distribution of occupations that were made available for exploration in participating firms.

In general, it was found that participation in VEDP did not disrupt or represent a hardship for the firm's operation. As expected, supervisors tended to work more with participants than did employers. In addition, 42.9% of the VEDP I supervisors and 58.7% of the VEDP II employers reported that other employees spent time with program enrollees. Time spent with program participants did not cause major problems for most supervisors and employers; many reported beneficial impacts on their work. In addition, few supervisors reported any negative effects on the work effort of other workers. In fact, 57.3% of the supervisors and 64% of the employers said that program enrollees and workers benefitted from their interactions.

In summary, VEDP's relationship with the private sector has been a central aspect of the program's success. Employers and supervisors overwhelmingly agreed that vocational exploration helps youth, and most reported that they perceived positive changes in participant's attitudes and skills. Almost all of the supervisors and employers indicated that, if given the opportunity, they would again decide to be involved with VEDP. In addition, most employers said that if jobs were available and the VEDP youth were interested, they would have been hired.*

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* Sources on VEPS:

VEDP Business/Labor Survey. National Alliance of Business, Washington, DC, 1982, (in final draft).

The Vocational Exploration Demonstration Project: An Analysis of the 1979-80 Academic Year Components. Nedwek, Brian P.; Manns, J. Terence; Tomey, E. Allan; St. Louis University Center for Urban Programs, 1981, 266 pp.

The Vocational Exploration Demonstration Project: An Analysis of the 1979-80 In-School Extension Components. Nedwek, Brian P.; Manns, J. Terence; Tomey, E. Allan; St. Louis University Center for Urban Programs, 1981, 107 pp.

The Vocational Exploration Demonstration Project: An Analysis of the 1979 Summer Component. Nedwek, Brian P.; Manns, J. Terence; Tomey, E. Allan; St. Louis University Center for Urban Programs, 1980, 118 pp.

The Vocational Exploration Demonstration Project: An Analysis of the 1980 Summer Component. Nedwek, Brian P.; Manns, J. Terence; Tomey, E. Allan; St. Louis University Center for Urban Programs, 1982, (in final draft).

The Vocational Exploration Demonstration Project: A Preliminary Analysis of the 1979 Fall Component. Nedwek, Brian P.; Manns, J. Terence; Tomey, E. Allan; St. Louis University Center for Urban Programs, 1980, 117. pp.

TABLE 7-3

Reasons for VEDP Participation

Response	VEDP I Employers (N=85)	VEDP II Employers (N=100-104)
Involvement in Community	25.9%	26.5%
Social Responsibility	16.5	26.9
Potential Employees	12.9	21.2
"Free" Labor	15.3	26.9
Vandal Protection	0.0	0.0
Help Young People	27.1	25.0
Orient Young People	Not Included	38.0
Motivate Youth	Not Included	26.0

Source: *VEDP Business/Labor Survey*, National Alliance of Business, 1982 (DRAFT)

TABLE 7-4

Number of VEDP Participants Per Employer

Number of Youth Served	VEDP I Employers (N=91)	VEDP II Employers (N=104)
1-5	85.7%	51.0%
6-10	13.2	17.3
11-20	1.1	16.3
21-40	0.0	5.8
Over 40	0.0	9.6

Source: *VEDP Business/Labor Survey*, National Alliance of Business, 1982 (DRAFT)

TABLE 7-5

Types of Jobs Explored by VEDP Youth

Job Classification	VEDP I (N=235)	VEDP II (N=254)
Managerial/Administrative	7.2%	4.7%
Professional/Technical	14.0	14.6
Crafts	9.3	12.6
Sales	5.5	7.9
Office/Clerical	28.1	38.2
Operatives	7.2	4.3
Laborers	18.3	11.8
Service Workers	10.2	5.9

Source: *VEDP Business/Labor Survey*, National Alliance of Business, 1982 (DRAFT)

Vocational Exploration Demonstration Project Final Report (1979-1981). Herzong, Jane, National Alliance of Business, Washington, DC, February, 1982, 74 pp.

Vocational Exploration in the Private Sector: Final Report and Assessment, 1971-1972. Sprengel, Donald P.; Tomey, E. Allan; St. Louis University Center for Urban Programs, February, 1973.

Vocational Exploration in the Private Sector: Final Report and Assessment, 1972-73. Comparison of Impact of the Pilot and Second Experimental Years. Sprengel, Donald P.; Tomey, E. Allan; St. Louis University Center for Urban Programs, July, 1974, 174 pp.

Vocational Exploration Program, Final Report. National Alliance of Business; Human Resources Development Institute, 1977, 173 pp.

1978 Vocational Exploration Program - The Final Report. Nedwek, Brian; Tomey, E. Allan; St. Louis University Center for Urban Programs, 1979, 245 pp.

3.0 Self-Directed Job Search Assistance

Job search skills can be acquired through formal instruction. Youth who are taught how and where to look for work may do better in the labor market than youth who search by trial and error. A number of job search assistance programs were sponsored under YEDPA to provide youth with the skills necessary to initiate self-directed job search. The programs were comprised of courses, workshops, counseling, role playing, simulated job search, and actual job search. Job search assistance programs teach participants how to prepare resumes, present information over the telephone or during an interview, and impart common sense advice on how to approach employers and get jobs.

The assumption behind this type of intervention is that disadvantaged youth, particularly minorities, do not have access to appropriate information to make successful bids for jobs for which they qualify. Access to good information, especially for inexperienced job seekers without established channels of informal assistance, may shorten the duration of unemployment and increase employment.

Analysis of the Current Population Survey (CPS) for three recent calendar years (1979-81) reveal that between 50 and 60% of unemployed youths in the 16-19 age groups were unemployed for less than 5 weeks at the time of the survey (58% in 1979 and 52% in 1981, durations do lengthen as overall employment conditions for youths deteriorate). Findings of the NLS youth survey suggest even shorter mean durations of unemployment for youths. In 1979, the mean weeks of unemployment for 16-21 year old white youths in the NLS was 6.6 weeks versus 8.0 weeks in the CPS (21% difference) while for black youths the mean weeks of unemployment were 6.8 and 10.7 for the NLS and CPS, respectively (a 57% difference). In addition, the vast majority of unemployment among teenagers in the U.S. is not of the job loser variety but rather a result of high rates of entry and re-entry into the labor force with problems encountered in quickly landing a job. About 2/3 of all teen unemployment in the U.S. during the past two calendar years is of the entry/reentry variety. An Urban Institute report (1980) by David Swinton shows that problems in job finding among minority youth are the primary cause of their high unemployment rates not layoffs and voluntary quitting of jobs.*

These data show that while many youth have short durations of unemployment, a small number (disproportionately CETA eligible) suffer long durations. Job search assistance programs are aimed at the latter group and others who make frequent movements in and out of jobs and the labor force. By providing disadvantaged youth with knowledge, job search skills and motivation to find jobs for themselves, job search programs are likely to reduce the length of time needed to obtain jobs for unemployed youths by speeding up job finding and reducing unemployment durations.

Of course, the finding that many youths are unemployed for short periods of time does not automatically imply that unemployment among youths is primarily a frictional problem. Many unemployed youths appear to end their spell of unemployment by withdrawing from the labor force rather than by securing employment. Flow analysis of CPS data** for 1975 reveal that 53% of male teens and 60% of female teens ended their spell of unemployment by withdrawing from the labor force. Job search programs also teach young people how to reenter the labor force and search effectively for jobs.

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* Source: The CPS and NLS figures derive from unpublished tabulations by Andrew Sum, of Northeastern University, for the Brandeis Project.

**Stuart Garfinkle "The Outcome of a Spell of Unemployment," Monthly Labor Review, BLS, Washington, DC, January 1977.

This review addresses a series of questions which have been raised about the impact of job search assistance (JSA) programs. Do JSA graduates engage in more efficient job search than non-participants? Is job search time shorter for JSA graduates or viewed as a learning experience, is it longer? Are job search programs effective means of ensuring higher rates of job finding than for youth not enrolled in such programs$? Do employment gains persist or are they ameliorated over time? A description of the Cambridge Job Factory program, another YEDPA demonstration, is presented in the next section*

The Cambridge Job Factory

The Cambridge Job Factory was organized in five cycles of four weeks each. The first cycle was planned to serve 50 graduating high school seniors. Cycles 2-4 were funded to serve 50 unemployed youth, each including both high school graduates and dropouts. No in-school youth were to be served by the Job Factory program. Finally, youth who found jobs in the first three weeks of the various Job Factory cycles were to receive bonus payments (in addition to the minimum wage subsidy) equivalent to two days of program participation.

To be eligible for the program, youths had to satisfy CETA-established family income requirements. They were then randomly assigned by the researchers to either the experimental or the control group based on an assignment procedure which ensured that the two groups got an equal distribution of persons by sex, age and ethnicity.

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* Source: This review is extracted from the Final Report to the U.S. Department of Labor, Office of Youth Programs, "The Effectiveness of Two Job Search Assistance Programs for Disadvantaged YOuth," by Andrew Barry Hahn and Barry Friedman, 1980.

The character of the Job Factory was to represent the real work environment. Participants were hired and paid to find a job. The social relations between staff and clients were modeled after the workplace; the supervisor was the "foreman," the client a "worker," attendance was monitored, "termination" was equated with firing, and stipends were considered wages.

The program consisted of four components: orientation, group activities, workbook exercises, and actual job search. Orientation introduced participants to the history of the Job Factory, its success record, and its expectations. Participants were expected to treat the program as they would a job. The job in the Job Factory was to get a job. Group activities included classroom exercises in job finding and "decision making" exercises designed to foster creative problem solving. Participants also viewed and discussed videotapes on job finding and met "role model" guests.

Each participant was assigned workbook exercises which helped structure his/her job finding activities. The creation of "selling tools" like introductory letters, resumes, and references was stressed. The development of a list of potential employers was also crucial. Interviewing skills were honed with practice interviews which were filmed and analyzed. After the first week, attention focused on actual job search activities. Each program cycle lasted up to four weeks.

Job Finding Results

The findings are based on a sample of 368; 203 in the Job Factory (experimental) group and 165 in the control group. The participants were on the average 18 years of age. Serving the ethnically diverse community of Cambridge, MA the program enrolled nearly equal proportions of white and minority group youth. All youth met CETA income eligibility guidelines. For example, 28 percent received public assistance. Approximately one third of the Cambridge youth headed their own households or lived apart from their parents' homes. Most youth in the sample had previous work experience and close to one quarter had been involved in CETA programs in the past. With random assignment, the Cambridge experiment and control groups were similar in major demographic characteristics.

Table 7-6 presents the job finding rates as of the time of each follow-up interview. The rates are presented separately for each cycle, and within cycles, for experimental and control groups. The rate as of the first follow-up measures the proportion who found jobs between the beginning of the program and the first post-program interview (or about six weeks after a typical four week program). The rate at the second follow-up measures job finding from the same beginning point, but up to the second follow-up. The difference in job finding rates between consecutive follow-ups thus measures the proportion who found jobs between the two follow-ups.

The job finding rate as of the first follow-up was substantially higher for the experimental group than for the control group. This was true for each cycle (except Cycle 5 where there was no control group), with the differences between experimental and control groups ranging from a high of 22.9 percent for Cycle 1 to a low of 14.1 percent in Cycle 3. That is, between 14 and 23 percent more of the sample found jobs by the time of the first follow-up if they participated in the experimental treatment. Over all cycles, the difference in rates was 15.9 percent.

In contrast to the large effect of the experimental treatment up to the first follow-up, the difference in job finding rates is much smaller for subsequent follow-ups. Job finding rates rise for both the experimental and control groups as one moves down each column to successive follow-ups, but

TABLE 7-6

Job Finding Rates

(Expressed as percents, with sample sizes given in parentheses)

	Average No. of Weeks After Enrollment	Cycle I May 29-June 22, 1979		Cycle II October 12-Nov. 9, 1979		Cycle III January 25-Feb. 22, 1980		Cycle IV April 4-May 2, 1980		Cycle V June 5-July 28, 1980	All Cycles Combined		All Follow-ups Complete	
		Exp	Cont	Exp	Cont	Exp	Cont	Exp	Cont	Exp	Exp	Cont	Exp	Cont
Rate at 1st follow-up	10.5	62.9	40.0	61.0	44.4	74.1	60.0	70.0	55.6	50.0	63.6	47.7	56.1	36.7
		(35)	(30)	(41)	(27)	(27)	(20)	(10)	(9)	(16)	(129)	(86)	(41)	(30)
Rate at 2nd foilow-up	26.5	75.8	71.4	71.9	60.0	88.9	92.3				77.1	78.2	68.3	73.3
		(33)	(28)	(32)	(15)	(18)	(13)				(83)	(56)	(41)	(30)
Rate at 3rd follow-up	37.5	80.6	80.0	77.8	75.0						79.3	78.0	75.6	76.7
		(31)	(25)	(27)	(16)						(58)	(41)	(41)	(30)
Rate at 4th follow-up	45.4	83.3	84.2	73.9	78.6						79.2	81.8	78.0	80.0
		(30)	(19)	(23)	(14)						(53)	(33)	(41)	(30)

TABLE 7-7

Characteristics of First Post-Enrollment Jobs

	Experiment	Control
Median Wage	$3.50	$3.40
	(83)	(51)
Median Weekly Hours	39.6	37.6
	(91)	(51)
Median Weekly Earnings	131.25	124.03
	(87)	(51)
Percent Unsubsidized	80.2	83.6
	(101)	(61)
Percent Full-time	67.3	52.5
	(101)	(61)

Sample sizes (in parentheses) include only job finders for whom data are available on the indicated variable. The first job is identified by moving from one follow-up to the next until a job is reported.

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		Exp	Cont	Exp	Cont	Exp	Cont	Exp	Cont	Exp	Exp	Cont	Exp	Cont
Rate at 1st follow-up	10.5	62.9	40.0	61.0	44.4	74.1	60.0	70.0	55.6	50.0	63.6	47.7	56.1	36.7
		(35)	(30)	(41)	(27)	(27)	(20)	(10)	(9)	(16)	(129)	(86)	(41)	(30)
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Sample sizes (in parentheses) include only job finders for whom data are available on the indicated variable. The first job is identified by moving from one follow-up to the next until a job is reported.

there is a bigger spurt in job finding in the control group after the first follow-up so that the experiment-control difference diminishes. For those cycles having four follow-ups, the cumulative job finding record of the control group is actually slightly better than that of the experimental group.

These results suggest that the experimental treatment has a large effect during the first weeks after the program, but that this effect becomes less significant by the time of the fourth follow-up (45 weeks). Apparently, the experimental treatment does get many youth to work quickly. Those in the control group are just as likely to find jobs eventually, but the process of finding them is a slower one. Given the short-term nature of the program, this is not a surprising result.

Characteristics of First Post-Enrollment Jobs

The data support the idea that the Cambridge Job Factory treatment gets youths into jobs more quickly than no treatment. However, the job finding rates show that those in the control group are just as likely to find jobs eventually--within 45 weeks--as those who went through the treatment. Since the principal difference resulting from treatment is the speed of job finding, it is worth considering whether speed makes a difference in the quality of the job found. Although youth in general take secondary labor market jobs, the shorter search could push them prematurely into the less attractive of these jobs. Alternatively, the treatment could reflect those who benefitted by finding good jobs quickly.

Table 7-7 summarizes some observable characteristics of the first job found following enrollment in the program. The medians of the wage, of weekly hours worked, and of weekly earnings are all slightly higher for the experimental group than for the control group. Slightly more jobs found by those in the experimental group are subsidized. Substantially more are full-time rather than part-time, accounting for the finding that earnings also are slightly higher among Job Factory youth at each follow-up period. Most of these differences are small, but they are generally in favor of the experimental group. We may conclude that the quicker pace of job finding for the experimental group does not lead to worse jobs, but if anything, to slightly better jobs.

One important concern when evaluating job quality is how long the job lasts. If a job search program rushed youths into jobs only to have them leave soon afterwards, the success in job finding would be less valuable than it initially appeared. Table 7-8 relates subsequent job experience in Cambridge to what happened as of the first follow-up. It should be noted that sample sizes are small because information on many participants is incomplete, so that these results cannot be considered definitive. Nevertheless, it is interesting to note that the rate of job leaving [2c] is lower for the experimental group than the control groups. Clearly this result lends no support to the hypothesis that speedy job finding ends in early job leaving. The record of job holding among those going through the Job Factory appears as stable as among those in the control group.

Job Search Techniques and Intensity of Search

A larger percentage of Cambridge Job Factory participants found jobs in the first few weeks of the program than did control group participants. But does JSA improve job search techniques or increase the intensity of search for youth? As noted, evidence indicates that unemployed youth use few and informal channels of support in job search. In addition, a great majority accept the first job offered regardless of the search method.

Sources of jobs are reported in Table 7-9. One notable feature of the

TABLE 7-8

The First Follow-up Related to Subsequent Job Experience for Cambridge

	Job Status at First Follow-Up	Subsequent Job Experience	Experimental Group	Control Group
1.	Did not find job	(Total number)	48	45
		1a. Found job on some subsequent follow-up, as percent of 1.	33.3	40.0
		1b. Never found job (complete information) as percent of 1.	18.8	13.3
		1c. No evidence that found job (incomplete info.) as percent of 1.	47.9	46.7
2.	Found job	(Total number)	82	41
		2a. Never left job (complete information), as percent of 2	19.5	9.3
		2b. No evidence that left job (incomplete information), as percent of 2.	59.8	63.4
		2c. Left job on some subsequent follow-up, as percent of 2.	20.7	24.3

table is the heavy reliance on assistance from program staff for those in the Experimental group. Whether considering source of first job or most useful source, program staff are used at a rate almost twice that of any other source. The Control group, lacking this source, must rely more heavily on alternatives. In particular, they rely much more heavily on friends or neighbors and on public (non-program) employment agencies.

This type of information does not reveal directly the level of job seeking skills. The results do, however, suggest an important aspect of treatment that makes it work: those in the Experimental group have easy and frequent access to professional assistanace. The assistance in Cambridge is of the advice and emotional support type; the program does not involve job placement by counselors. Nonetheless, it may be that this is more valuable than any body of "hard" skills the youth may develop. Indeed, to the extent that this is the case, there is no assurance that benefits of the program will carry over to the next spell of job search when the youth will no longer be participating in such a program.

Now consider the intensity of search. Table 7-10 presents two measures of intensity: the number of applications filled and the number of interviews attended. In Cambridge there are many more interviews in the experimental group than in the Control group. The differences are particularly pronounced for successful job-finders. For non-finders the finding does not hold. It appears that an important element in the success of the Cambridge program is its effectiveness in increasing the intensity of job search efforts, although the result for non-finders suggests that the program was not uniformly successful in motivating all its clients.

It is possible that some youth would learn the lesson of the importance of intensity and repeat the effort again in the future. On the other hand, it

TABLE 7-9

Job Finding Sources Used in Cambridge

Source	Percent Who Used Source in Getting First Job		Percent Who Found Source The Most Useful One	
	Experimental	Control	Experimental	Control
Program staff	33.0	0	26.8	0
Friends or people in the neighborhood	18.2	36.5	7.3	17.0
Newspaper	17.1	14.7	10.9	9.9
Family	8.4	7.4	4.9	4.8
Help-wanted sign	3.6	12.2	1.3	0
Church or community leaders	0	2.5	0	2.5
Public employment agency	12.2	26.9	7.3	14.7
Private employment agency	3.6	4.8	2.4	2.5
Others	14.6	19.5	10.9	17.0
None of the above: got it on my own	12.2	12.2		
Sample size (restricted to job finders)	82	41	82	41

Note: Figures add to more than 100 percent since more than one source could have been used.

TABLE 7-10

Measures of the Intensity of Search[a]

A. Cambridge

	Experimental Group	Control Group
Number of Applications Filled	5.84	4.41
a. Among Job Finders	7.39	3.73
	(70)	(30)
b. Among Non-Finders	3.57	5.38
	(23)	(21)
Number of Interviews	4.38	2.47
a. By Job Finders	6.02	2.23
	(59)	(26)
b. By Non-Finders	1.73	2.79
	(22)	(19)

a) Sample sizes are given in parentheses. Samples are restricted to those who answered the respective questions on applications and interviews.

is possible that for many, the high intensity was a direct result of the immediate motivations the program offered. When unemployed without such a program available, it is reasonable to expect that intensity for many will be less because the structural motivating forces (e.g., staff support, stipend, bonus, peer group pressure) will be missing.

These results raise the question of what it takes to motivate increased intensity. The question of motivation can be considered in two parts: first, what does it take to get a person into the program; and second, once in, what does it take to motivate intensity of effort. The process study of the Job Factory (not reported here) shows that an important part of the motivation to join the program in the first place came from a monetary stipend paid the youth who attended. While we do not have a formal test, the power of the stipend is supported by one development. Although each of the first four cycles in Cambridge paid stipends, Cycle 5 was planned as a cycle that would not pay one. However, only three youth signed up. As a consequence of this lack of response, a stipend was reintroduced, attracting a sufficient number of youth to run the cycle.

Once in the program we may speculate about what motivates search. First, there were penalities for not cooperating. In Cambridge, a youth could be "fired" in which case the stipend payment would be lost. The program also provided positive support to overcome the discouragement of rejections. It structured activities to get youth out in the field, applying and interviewing. Perhaps not least important, it must in some sense have been fun to participate. These motivations did not work with all participants, but they apparently succeeded with the majority.

Job Search: Implications from the Job Factory

Job search assistance works by sustaining interest in active search. It may do this through financial incentives, through a program that is perceived as "fun" by young persons, or through the fact that counselors are there to marshal and reinforce youthful energies that might otherwise be dissipated. None of these phenomena would hint at long-term impacts from job search assistance. In fact, this evaluation of one program shows that there can be significant short-term effects.

Successful job search assistance gets youngsters to initiate the search sooner than they had otherwise planned and to pursue search more intensively over a period of time. The curricula of the programs are undoubtedly important in attracting youth to and keeping youth in the programs. However, it is the intensity of the program that is clearly very important. The Cambridge program is structured in a way that holds youths captive long enough to impart a sense of urgency and incentive to their search.

This then raises the question of what sort of incentive it takes to get youth to participate in such a program. We showed that in Cambridge the financial stipend used to attract and support youth during the program was a critical element of job search assistance. When the program tried to operate without stipends, it failed.

An important finding is that fears that job search assistance would push participants into worse jobs than other youth who shopped around longer for jobs was unjustified. The evidence in Cambridge is that the first jobs found after job search assistance are modestly better jobs, although few youth through the single mechanism of JSA break out of the conventional youth labor market. Similarly, we find that the jobs found through JSA were retained for longer periods of time.

We learned also that job search assistance works well in the short run for a number of different groups. Dropouts, for example, were actually overenrolled in Cambridge, while employment outcomes were not dramatically different among high school graduates, dropouts, or in-school youth. An important finding for program operators is that no one group of youth stands dramatically outside the service possibility of JSA; welfare recipients, males or females, over 17 years of under, good or bad readers.

The job search field is in tremendous need of demystification. The job search concept has been embraced by many in the employment and training community as a "quick fix" to unemployment. It has been moved in the welfare area, for example, from an assistive transition service at the completion of training to a work test before provision of services or in-kind benefits. This research may help to defuse some of the wildest claims about the effectiveness of job search assistance for young people, claims often made by vendors of JSA curricula. Job search assistance works in the short-run as a stimulus to job finding, but is no substitute for more costly training and education programs aimed at career ladder jobs.

The San Francisco Job Search Demonstration Project

The San Francisco Job Search Training Demonstration Project (Job Track) was another job search demonstration project funded under YEDPA. This program, which was targeted toward 16-21 year old unemployed youth (graduates and dropouts), differed from the Cambridge Job Factory in the length of the intervention (two days) and in the absence of stipends to participants. The curriculum of the Job Track program emphasized job search skills training, labor market concepts and actual job search efforts, rather than the refinement of career and occupational preferences. The program thus had a strong "how-to-do-it" emphasis. It was a short, intensive program with no major staff support after two days.

The program served, on average, 18.6 year olds, males (72%), dropouts (37%), minorities (90%, including Chinese as well as Blacks and Hispanics) and many youth on public assistance (33%). There were 103 young people in the final analysis sample, from a total enrollment of 143 beginning with a pilot program.

Job Track operated through the California Employment Service (Economic Development Department). Referrals to the program were made by Employment Service staff. A random assignment to the comparison group was conducted from the weekly flow of all youth applicants to the San Francisco Employment Service. The comparisons were then matched to the Job Track youth but were slightly better educated and contained fewer dropouts. These differences were adjusted statistically in the analysis. Olympus Research Corporation (ORC) planned and evaluated the demonstration. Findings from the six week follow-up of participants and matched nonparticipants are reported below.*

The findings based on 88 participants and 76 comparison youth tracked through the follow-up show several changes in job search methods used by participants relative to the comparison group. Compared to their pre-program behavior, Job Track participants were more likely to improve in number of direct calls on employers, to telephone employers, and to answer want ads. But overall, these behavioral changes just reduced initial differences in job search methods used by participants and comparison youth. At the follow-up survey, participants did not use more methods to find jobs relative to the comparison group . . . they simply improved more.

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* Findings of the Job Search Youth Demonstration Project, Progress Report to DOL/ETA, from Olympus Research Center, San Francisco, CA, February 11, 1981.

Intermediate job search outcomes also reveal changes in the behavior of the two groups of youth. Compared to nonparticipants, Job Track participants showed larger percentage increases in the proportion filing applications and in the proportion obtaining Employment Service job referrals. Although both groups had a decrease in the proportion obtaining job interviews, Job Track youth showed a major increase in the proportion who received job offers . . . 67% received at least one job offer relative to 50% of the comparison group.

The final, desired outcome of the Job Search Demonstration was an improvement in the employment experiences of youth participants. At the time of the five week follow-up, 44 percent of the participants had found jobs, compared to 21 percent of the comparison group. At 12 weeks, the job finding rates are 66% vs. 49%--a 17% difference and fairly close to the 16% difference in the Cambridge Job Factory. Because the comparison group may have had relatively greater advantages than the participants (more education, job information anf prior job search activity), this difference in their rates of employment probably underestimates the true impact of the program. Participation in the Job Track also reduces the length of time required to obtain a job. Fifty percent of the participants found jobs within 2 weeks after leaving the program versus the 4 weeks required for 50% of the comparison group.

Unlike the Cambridge Job Factory which seemed to work for many youth, the Job Track research reveals which groups of youth benefit the most 12 weeks after the program. A regression analysis shows that years of school, previous work experience, hours spent in searching, and receipt of AFDC all determine the probability of job finding.

These findings for both job search studies indicate that job search assistance can have a significant impact on both the methods of job search and the job finding success of disadvantaged youth. Both job search program evaluations found positive short-term employment effects over control or comparison groups. The Cambridge program, however, shows few long-term advantages. This suggests that job search programs work best in doing what they were designed to do--teaching poor youth how to find jobs though a low cost, intensive, short duration program. As such, job search assistance is no substitute for more costly human resource investments, but should be an exit service for properly trained youth beginning their search for jobs.

CHAPTER 8 - DO WORK ATTITUDES MATTER? THE IMPACT OF EMPLOYMENT AND TRAINING PROGRAMS ON THE WORK ATTITUDES OF DISADVANTAGED YOUTH

It is generally recognized by social scientists as well as program practitioners that work attitudes and orientations play an important role in adjustment to training and work experience as well as to subsequent work behavior. The difference between a successful and unsuccessful work experience will hinge upon an individual's attitude toward work in general, and the specific job experience in particular. Positive work attitudes and adequate labor market knowledge have been shown to be very important in the establishment of stable and successful employment patterns among youth. Negative attitudes have been found to have a deleterious impact on work adjustment (Andrisani, et al., 1977; Andrisani, 1980; Becker and Hills, 1981; Raelin, 1980).

From an employer perspective, workers are expected to have certain acceptable attitudes and work habits. Characteristics such as reliability, self-confidence, a neat appearance, a respectful demeanor, an interest in the type of work, and a general alertness have been found to be important in the hiring decisions of employers. Employers have frequently cited immaturity, instability, and high turnover as reasons for not hiring youth (National Commission for Employment Policy, 1979).

From a policy perspective, one broad strategy for increasing the employability of low income youth is to increase their attractiveness to employers. The primary tools in this effort are interventions that increase educational levels, provide occupational training, and improve work habits and attitudes. Naturally, the success or failure of employment and training programs designed to train and prepare disadvantaged youth for the world of work will depend in large part on the latter. The attitudes of youth towards work will be an important determinant of program participation and success. As Bottom and Stromsdorfer (1980:2) have noted:

> In a formal framework program outcomes are expected to be a function of program treatments, youths pre-program attitudes and other factors. During the course of program participation a change in pre-program attitudes may occur as a direct result of program treatments . . . and other factors. Further, the change in attitudes may feed back into subsequent program participation and induce another round of effects on program outcomes.

Work-training programs will clearly be ineffective if program enrollees have little interest in working. Furthermore, if enrollees reject the importance of work, not only will programs be ineffective, but combining training with income through subsidized wages could result in the creation of "program dependents" and withdrawal from sincere job search.

The public policy implications are twofold. First, in designing and implementing national employment and training programs for the disadvantaged, it is important to first understand the views of poor youth about life and work so that employment and training programs can be based on this knowledge. Second, an important issue is whether youth-oriented labor market programs should emphasize basic socialization and motivation and, if so, how these emphases should be implemented.

Up to now, there has been much confusion and uncertainty about the attitudes held by low income youth toward work. As a result of the range of opinion on this issue, it has not been clear what action the federal government should take, if any, to have a direct impact on the attitudes and motivation of youth.

This chapter will review what has been learned regarding the impact of federal employment and training programs on the work attitudes of disadvantaged youth. Particular attention will be focused on what has been learned as a result of the CETA youth employment initiatives, and the Youth Employment and Demonstration Projects Act of 1977. Some of this material is covered in other chapters; here the goal is to compare findings from many types of youth programs and to place the findings in a broader policy context. Before assessing the evidence on program approaches and impacts, however, the chapter will give a brief overview of related theory and evidence from the pre-1977 period regarding the work attitudes of disadvantaged youth.

1.0 Theory and Evidence from the Pre-YEDPA Period

During the 1960s, both popular and scholarly wisdom held that the work orientations of disadvantaged, low income youth were an important, if not primary, factor in their inability to obtain employment, for two reasons. First, by virtue of the fact that they are economically dis- advantaged, some writers (Lewis, 1968; Banfield, 1970; Moynihan, 1968), argued that the poor maintain a different value system and subculture from the regularly employed non-poor, and consequently may hold negative attitudes toward work. This "culture of poverty" thesis suggested that the low work orientation of the poor constitutes a rejection of or inability to share in middle-class expectancies, values, and aspirations in the world of work. Second, by virtue of the fact that they are young, some (Silberman, 1965) have argued that there is reason to suspect an opposition to or at least an immature "work ethic" among this age group.

In contrast to the culture of poverty school, others have held that the work orientations of poor youth are not different from those of the non-poor or that any differences are the result of the young person's adaptation to the situational facts of life and employment, rather than a reflection of cultural differences. This perspective, the "powerlessness" view, sees motivational problems as stemming from the inability of poor youth to implement their values. According to this view, problems of low motivation, demoralization, and alienation exist even among people who share societal aspirations and (middle class) values, but who feel unable to attain these goals or implement such values.

Goodwin (1972), for example, compared the work orientations of poor young people to those of more advantaged youth. His study of youth was part of a larger study of attitudes towards work and welfare among public assistance recipients. He discovered similar patterns of work ethic among poor and non-poor youth alike, although the poor youth had less confidence about their ability to succeed in the world of work. The latter was interpreted as a realistic response to different life experiences, especially in terms of the relative powerlessness of the poor to influence success in the labor market.

In an attempt to resolve the differences between the "culture of poverty" and "social powerlessness" schools of thought, Gurin (1970a, 1971) proposed an "expectancy" approach to job training programs. Without denying that low motivation among trainees may be a result of disposition or rejection of some of the achievement goals and incentives of society, Gurin stressed that a major issue is the trainees' low expectancy--the motivational problems that stem not from a lack of desire for societal goals, but from a feeling that they have little chance of attaining those goals.

Persons with low expectancies of success, like many in employment and training programs, will not automatically change their expectancies when their situation improves. The problem thus becomes one of once having improved and expanded reality opportunities (through a training opportunity), getting the trainees' expectancies of success to reflect the new opportunities.

As Gurin (1971) notes, an important implication of these theories is that if one is concerned with helping trainees adjust their expectancies to their internal resources, then the experiences that trainees have in the course of their training should be tied to their actual performance. These theories lead to the point that it is important to train program enrollees in emotional competence as well as job skills, with the latter often leading to the former through performance-based assessments of individual enrollees.

Prior to the 1977 amendment to the Comprehensive Employment and Training Act (CETA) known as the Youth Employment Demonstration Projects Act (YEDPA), a number of programs were administered to address the employment problems of disadvantaged youth. The Neighborhood Youth Corps, youth activities in the Manpower Development and Training Act (MDTA), the Work Incentive Program, and private sector efforts such as the JOBS program, were examples of programs that were based partially on the assumption that participants require some form of attitudinal and behavioral socialization in addition to basic skills and work experience.

Specific services under the socialization rubric included lessons in personal grooming, practice in filling out forms, role playing on how to conduct oneself on a job, attempts to instill positive attitudes toward work and appropriate habits of work discipline, and programming aimed at moral and value development. Typically, these socialization efforts assumed that the work world demands certain knowledge, attitudes, and habits that are not available to trainees in their own environments, but which they will have to learn if they are to make proper occupational adjustments.

These socialization aspects of job training programs have often been a central part of the programs. Gurin (1970a) noted that in many of the early programs, more money and effort were expended in attempts at socialization than in actual training. But despite the centrality of the socialization function to many job training programs, pre-YEDPA programs were characterized by a lack of agreement on the nature of the psychological and motivational problems of disadvantaged youth. Second, many of the early youth employment programs operated as "crash programs," lasting but a few months, providing socialization and coping skills without long-term emotional support mechanisms.

Extracting lessons from what has been learned about the impact of pre-YEDPA employment and training programs on the work attitudes of disadvantaged youth is very difficult for several reasons. Among the reasons is the fundamental point that early program evaluation processes varied from one site to another; each researcher defined success differently, with some sites using control or comparison groups, and others without such groups. Also, few demonstrations from the era were administered in multiple sites, a deficiency that made controlling for the peculiarities of individual locations impossible. The evaluations of the period were also marred by the failure to control for appropriate variables, ignorance of selection bias and the limited data collection (e.g., the failure to collect process or implementation data as well as post-program impacts). Finally, entire clusters of variables of interest were frequently ignored. Participants were rarely followed for many months after leaving the programs; more frequently the programs followed participants through project termination. Long term follow-ups were considered costly and difficult to administer.

Despite these shortcomings, some evidence does exist on the impact of pre-YEDPA employment and training programs on the work attitudes of the disadvantaged. The methodological shortcomings must be considered in interpreting the findings.

Pre-YEDPA Program Impacts

A vast body of research on the Neighborhood Youth Corps (NYC)* found that NYC enrollees had educational and occupational aspirations very similar to those of middle class youth, although consistent with Gurin's (1970a, 1971) expectancy perspective, very few NYC enrollees expected to achieve such positions. In an obvious finding, in-school NYC enrollees were found to be slightly more ambitious, both occupationally and educationally, than out-of-school NYC enrollees (Goodman and Myint, 1969).

Unfortunately, little of the vast NYC research was designed to specifically measure the impact of the NYC experience on the work attitudes of enrollees. Of that which did, the findings were generally negative. For example, Robin's (1969) study of 890 black youths in NYC found no indication that the NYC experience had a positive effect on educational expectations or aspirations, attitudes toward the school system and teachers, or scholastic achievement. Similarly, there was no indication that NYC participation led to increased desire for further training as the road to better jobs.

Harwood and Olasov's (1968) study of two of Houston's out-of-school NYC projects cited significant "attitude problems" among enrollees. Group counseling did not affect these attitude problems. Out of a total of 800 enrollees in one project who had left the program by June 1968, some 40 percent were terminated because of "bad attitudes" and absenteeism.

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* The following review of research on the NYC is summarized in U.S. Department of Labor (1970)

Mandell, Blackman, and Sullivan's (1969) study of nine NYC projects in New York found that the NYC experience resulted in little change in the enrollee's work-related perceptions and did not apparently increase enrollees' optimism that the work world would be benevolent, nor did it appear to increase their confidence that efforts on their part could lead to better economic opportunities.

Walther and Magnusson (1967) and Walther, Magnusson, and Cherkasky (1968) conducted a five-year longitudinal study of NYC out-of-school programs in five urban cities and found many indications that terminated enrollees were often deficient in basic skills, attitudes, and knowledge of the requirements of the working world. On the other hand, Walther's (1975) Work-Relevant Attitudes Inventory (WRAI) developed as part of his five-year survey of NYC programs (and used in diagnosing the needs of individuals and evaluating the effectiveness of manpower programs), was able to differentiate between subjects making a "good" and a "poor" adjustment to work. The change in WRAI scores while participating in the NYC program was in a positive direction for subjects making a "good" adjustment to work, and in a negative direction for subjects making a "poor" adjustment. Walther concluded that the WRAI had demonstrated its potential use as a measure of program effectiveness and as a help in diagnosing the needs of new program participants.

Gurin (1971) conducted a study of the backgrounds and motivations of inner-city black youth who were trainees in a Chicago JOBS Project, established under the Manpower Development and Training Act (MDTA). The study examined the relationship between motivational factors and trainee "success." Particular emphasis in the project was placed upon teaching the trainees attitudes and behavior appropriate in the world of work. Employing two criteria of success,

(1) the trainee's post-program earnings and (2) program ability to keep trainees committed to the program (in other words, prevent dropouts), Gurin found that almost all of the attitudinal and motivational measures utilized showed no relationship with either of the two success criteria.

Drawing conclusions from the literature is a hazardous task. Even though much was tried, little reliable information was learned from these efforts, because of the flaws in research and demonstration designs. In fact, it was the Congressional perception that there was no solid informational basis for public policy that led Congress to enact the 1977 Youth Employment Demonstration Projects Act to learn "what works best for whom."

In addition to program studies, however, other research, primarily in the form of surveys have been conducted with youth populations. This research also sheds some light on the attitudes of youth toward work, although the evidence is, again, mixed. Some results of this research are discussed below.

Attitudes of Youth Toward Work: Evidence From Surveys

Many view the work attitudes of youth and particularly disadvantaged youth as leaving much to be desired when compared to older, more mature workers. This is particularly true of employers whose reluctance to hire youth is largely based on the calculation that the productivity of young workers is lower than prevailing wage rates, or is lower than the productivity of older workers who can be hired at comparable rates. Given this, one can expect employers to hold a variety of beliefs about young workers that support that calculation. The following attitudes about youth, commonly ascribed to employers, might help to explain the judgment that young workers represent a genuine financial risk (National Commission for Employment Policy 1979;

Osterman, 1980).

The attitudes and behavior of young workers are perceived to undermine productivity because of four primary reasons. First, it is thought that youth tend to be less disciplined and less serious about their jobs than older workers. Second, youth do not dress or behave in a manner appropriate to the workplace. Third, youth have only a casual attachment to work, leading to a high turnover rate. And fourth, youth lack prior work experience. They are "unproven commodities" and this adds to the risk involved in hiring them.

How accurate are these perceptions? Judging from the empirical evidence, one can only conclude that some employer impressions about youth appear to be contradicted by research. Despite popular and scholarly impressions postulating a "culture of poverty" or "rejection of the work ethic" or "poor work attitudes" among the young, little empirical evidence exists to support these assertions. Many studies, for example, find little justification for considering youths' attitudes toward work as inadequate, immature (other than for lack of adequate labor market information), negative, or the cause of their unique labor market problems. On the contrary, many of the studies reviewed from the previous decade have shown that youth frequently display positive attitudes toward work similar to those of older workers (Andrisani, 1980; Berryman, 1978).

Employer impressions about the apparent unwillingness of youth to work at low-paying, low-status jobs may be tested against the responses of youth to questions from the 1979 National Longitudinal Survey (NLS) (Borus et al., 1980). For example, approximately 55 percent of all 16-21 year-olds out of school and out of the labor force at the time of the 1979 NLS indicated that they wanted a job. Furthermore, 40-50 percent of youth surveyed who were out of the labor force, and an even higher proportion of black youth in this circumstance, indicated that they would accept a job as a dishwasher, general factory laborer, fast-food service worker, cleaning person, or checkout counter worker in a grocery store paying $3.10 or less per hour (i.e., below the minimum wage at the survey date). These data, however, are hardly conclusive. If 40-50 percent would take jobs at the minimum wage level or less, equal numbers of youth would not take such jobs.

Nonetheless, particularly for inner city black youth, a group disproportionately hit by high rates of unemployment, one finds two sources of evidence against attributing the bulk of their employment problems to their own attitudes and behavior. First, virtually all unemployed youth take the first job offered (although they may restrict their search to a narrow range of jobs). In a study of the job search behavior of 300 unemployed male youths, Stephenson (1976) found that 90% of both white and black youths, when describing the search before their last job, said they took their first offer. Similarly, recent research by Borus (1982) shows that black youth are actually more willing than their white counterparts to accept jobs at various wage levels. This finding, based on the National Longitudinal Survey, holds after controlling for differences in human capital, family background, and community factors.

Second, black youth employment is very seasonal and cyclically sensitive; when jobs are available, black youth are offered and take more of them (National Commission for Employment Policy, 1979). For example, generally a vast flow of young workers enters the labor force every summer. Thus, in 1976, the full time labor force of 16-19 year olds jumped from 3.8 million in March to 7.0 million in June, 8.3 million in July, 7.5 million in August before falling back to about 4 million for the rest of the year. Furthermore, nearly 90 percent of this increase in the youth labor force was matched with an increase in employment, resulting in a decline in the unemployment rate between the spring and summer (Lerman, 1980). In particular, among blacks 16-21, employment/population ratios (E/P) were .45 among black males and approximately .35 among black female in the summer months of 1980. The point here is that the labor market behavior of young people is firmly tied to job opportunities.

Finally, rates of voluntary participation in employment and training programs in the absence of coercive or mandatory measures indicate that not only do youth want to work, but also that they want to be better prepared for work. For example, the NLS study finds that 44 percent of all black youth aged 14 to 19 who held jobs in 1978 had been enrolled in federal employment and training programs (Borus et al., 1980). The Summer Youth Employment Program in 1978 accounted for 4 out of 10 jobs held by all minority youth (16-19) that summer.

Osterman (1980) has offered some additional reasons for the unique labor market problems facing youth, which should not be equated with "poor work attitudes" or a "rejection of the work ethic." First, Osterman characterizes adolescence as a period of "moratorium" in which youth are not generally concerned with career choices and ladders, but rather view employment as a means of earning some "fast cash." Youth also have a tendency to "shop around" and gain exposure to a variety of areas. This is generally considered a healthy, normal step in social development. However, this job sampling results in a high rate of quits, and this tends to reinforce employer prejudices against youth.

Second, the jobs open to youth are overwhelmingly in the secondary or youth labor markets--labor markets that pay low wages. Thus, there is a mutual reinforcement between the behavior of youth and their marginal labor market status. Many youth leave jobs early, for example, to advance their career prospects. Consider the following data from the National Longitudinal Survey of Young Men (NLS), on wages and weeks of unemployment by age cited by Osterman and reported below. In tracing the basic pattern of youth employment, it is clear from the above that, as youth age, unemployment tends to fall and wages tend to rise. A closer look at Figure 1, however, shows less growth in wage rates for blacks than whites, especially between the ages of 19-23 years.

Third, because of their primary commitment to school, in-school youth generally seek part-time and casual jobs rather than career-oriented ones. Due to school schedules, such jobs (usually in the unstable secondary labor market) are generally the only ones available. Youth interviewed by Osterman showed an informal pattern of job search as most obtained their jobs through friends, neighbors, and relatives (i.e., informal contacts). In sum, the intermittent and casual attachment of younger youth to the labor market need not be equated with "poor work attitudes" and a "rejection of the work ethic."

We now turn to a review of recent findings from the Youth Employment and Demonstration Projects Act (YEDPA) of 1977.

Figure 1

WAGES AND WEEKS OF UNEMPLOYMENT BY AGE *

	Hourly Wage		Annual Weeks of Unemployment	
Age	Whites	Blacks	Whites	Blacks
17	$2.18	$1.83	1.32	3.89
18	2.23	2.01	2.66	4.79
19	2.46	2.19	3.27	4.50
20	2.68	2.16	2.53	4.14
21	2.82	2.13	2.05	3.09
22	2.86	2.18	1.79	3.14
23	2.95	2.16	1.12	2.30
24	3.17	2.34	1.12	2.76
25	3.41	2.44	0.85	2.10
26	3.60	2.67	1.03	1.53
27	3.84	2.71	1.20	2.93
28	3.99	2.97	1.57	3.03
29	4.38	3.03	1.43	1.36

Note: These data are for out-of-school youth and are from the National Longitudinal Survey of Young Men (NLS). The figures are averages for all youths during the sample period (1966-1971). Thus, for example, the date in the cells for 24-year-olds are the average of 1966 wage rates of 24-year-olds in 1966, the 1967 wage rates for 23-year-olds in 1966, the 1968 wage rates for 22-year-olds in 1966, the 1969 wage rates for 21-year-olds in 1966, the 1970 wage rates for 20-year-olds in 1966, and the 1971 wage rate for 19-year-olds in 1966 (assuming that during the specified year the youth was out of school). Cells with an N less than 30 are not reported.

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*The table is reprinted from Osterman (1980:7).

2.0 YEDPA PROGRAM IMPACT ON WORK ATTITUDES

Introduction

YEDPA programs representing five different approaches are examined in this review of their impact on participants' attitudes and work orientations: career development; work experience; intensive training; job search assistance; and summer work experience programs.* All of these approaches have in common the broad strategy of helping low income youth by increasing their attractiveness to employers. Some do it through interventions that increase educational levels, others through occupational training, and still others by improving the work habits of young job seekers.

YEDPA Program Impacts

Career Development

The Youth Career Development Projects (YCD) was one of the earliest and largest YEDPA projects. The purpose of the demonstration was to facilitate the school-to-work transition for in-school youth through traditional and enriched career development services. The program was designed to recruit disadvantaged and hard-to-employ youth, largely through community-based organizations. Since its inception, YCD served about 7500 students in 30 cities. The YCD population was approximately 60 percent black, 20 percent Hispanic and 15 percent white.

Among the major features of the program were the use of occupational and career information resources to develop career goals. Career exploration was stressed by on-site visits to local companies, motivational training, and vocational and personal guidance. These services frequently culminated in direct assistance in job placement during the senior year of high school. While career services for secondary school youth were not a novel approach, its combination with job placement administered by community groups was unique.

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* For general reviews of YEDPA see Hahn (1979, 1980), Taggart (1980), Office of Youth Programs (1980), and Butler and Darr (1980).

An examination of the effect of YCD on the attitudes, knowledge, and performance of participants was conducted by the Educational Testing Service (ETS) (1980a). Their findings were based on a comparison of the experimental group of 1755 high school seniors enrolled in YCD during the 1978-9 academic year with a comparison group (not randomly assigned in most instances) of 1684 high school seniors. Comparisons were made on the basis of scores on the Standardized Assessment System (SAS), which was administered at the beginning of the senior year in high school and at the time of completion of high school. The SAS is a group of survey instruments organized for the Department of Labor by the ETS as a common assessment tool for a wide variety of YEDPA programs (Educational Testing Service, 1980b).* It measures:

- Changes in attitudes about and knowledge of work as measured by the SAS psychometric battery:
  - vocational attitudes
  - job knowledge
  - self-esteem
  - work attitudes
  - job holding skills
  - job seeking skills
  - attitudes about sex-stereotyping

It was found that participation in the YCD program led to small, but statistically significant gains in most of the areas measured by the SAS psychometric battery. Specifically, when the differences between pre-test to post-test scores for participant and comparison groups were compared, a significant gain for YCD participants was found in the following areas: vocational attitudes, job holding skills, work attitudes, job seeking skills, and attitudes about occupational sex-stereotyping. Not surprisingly, youth with modest reading scores gained more on these measures than youth with poor reading skills.

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* For a technical report on the SAS see Educational Testing Service (1980b).

In a detailed analysis of the YCD attitude data by Clemson (1981), some interesting findings were revealed about sex differences in beliefs of occupational stereotypes. The author found that in general girls in the YCD programs viewed traditionally male jobs as being "more female" than males and they saw traditionally "female jobs" as being "more male" than young male respondents. Thus, young girls were more open minded or flexible in their perceptions of occupations. The programs, as noted above, did improve the flexibility of both groups. Finally, both groups of youth rated occupations as "male" or "female" quite consistently with actual census data on the number of males and females who hold the jobs. Thus, the youth tend to reveal an accurate sense of the labor market environment.

Do the program gains in work-related attitudes and knowledge show a positive correlation with immediate post-program labor-market experience? The ETS presents the following findings, based on a 3-month post-program follow-up:

- Full-time employment--with the exception of participants in one YCD project, none of the gains in attitude and knowledge areas were related to full-time employment status;
- Status level of employment--gains in self-esteem, job-holding skills, attitudes about occupational sex-stereotyping, and vocational attitudes were significantly related to higher job status among young job holders;
- Skill level of job aspired to--gains in attitudes about occupational sex-stereotyping were related to higher career aspirations, particularly for women.

Thus, although it was found that participation in the YCD program resulted in very limited employment effects (e.g., a 2.5 percentage gain in full-time employment), there were significant but modest changes in attitudes and knowledge areas as a result of program participation.

Another set of career development projects, the Vocational Exploration Demonstration Projects (VEPS), was co-sponsored by business and labor groups. The program operated as a summer program, as well as a year round program for both in and out-of-school youth. It was run by eight community groups, four CETA organizations, two labor unions, a college, and a CETA Private Industry Council, depending on the site. VEPS sought to acquaint young people with a range of opportunities that exist in the private sector. Through vocational exploration, counseling, and occupational information, VEPS attempted to motivate youth to find jobs in the unsubsidized private sector. Exploration was carried out through a variety of models ranging from visits to private sector work settings to job shadowing to simulating work settings in classroom settings. Early research results available for the academic year 1979-1980 were based on a sample of 1905 youth (Nedwek et al., 1981). Although there were no control groups, different VEPS models may be compared with one another.

Using the ETS instruments described for YCD, the VEPS evaluators looked for gains in work-related attitudes and knowledge areas. They found gains in some absolute sense from pre- to post-tests, but none of the various models of vocational exploration resulted in significant differences among youth of various characteristics, such as sex, minority status, or school status. In a finding similar to YCD, VEPS youth with moderate reading skills gained more on a variety of knowledge and attitude areas than did youth with minimal reading abilities.

Work Experience

The largest amount of YEDPA resources went for youth work experience programs, but the effects of the work experience on low income youths' work habits has been difficult to document. In one demonstration, however, evidence does exist on the effects of work experience programs on work habits. The demonstration was designed to test whether the work experience arising out of private sector subsidized jobs differed from the experience in public, subsidized jobs (Gilsinan and Tomey, St. Louis University, 1980).

Youth participants took ETS/SAS tests measuring their attitudes about work immediately before and after the work experience. Although the researchers had no pure control group, the results for youth who participated for varying amounts of time are suggestive.

Youth in the St. Louis evaluation of "public versus private" demonstration rated higher on vocational attitudes and work-relevant attitudes after the work experience than before the work experience. The gains were clearly higher among those completing work experience than among those who left the program early. (Chapter 4 presents some detailed information on the connection between program duration and attitude change.) Interestingly, there were no demonstrable differences in gains between public sector program completers and private sector completers in the St. Louis evaluation. Finally, only one test score--Work Related Attitudes--was consistently and statistically related to post-program labor market outcomes.

A detailed reanalysis by the authors of changes in work attitudes and knowledge areas for young dropouts enrolled in two work experience demonstrations (Service Mix and Public/Private) appears in Chapter 4 . That section shows on average participants do not gain in attitudes. When we examine the determinants of change, however, it is shown that reading ability and length of time in the program do significantly predict attitude/knowledge change. Thus, encouraging dropouts to stay in work experience programs and combining basic skills enrichments with the work could lead to improvements in work-relevant attitudes. Unfortunately, on average, most dropouts do not participate long enough to raise the average participant's work orientations.

Intensive Training

The Job Corps program is the most intensive intervention providing training to out-of-school, low income youth. Although the Job Corps has operated since the mid-1960s, it is only within the last several years that a thorough evaluation has become available from YEDPA-financed research. The Job Corps offers training, basic education, counseling, and health care in a residential setting outside the normal home environment of the enrollee. Of all the youth programs, the Job Corps generally accepts those with the poorest educational backgrounds and employment prospects.

In a study of the non-economic impacts of the Job Corps, researchers at Abt Associates (1980) examined the impact which Job Corps training had on attitudes concerning work for a sample of 489 young men and women in two Job Corps groups and a comparison group.*

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* Three scales were used to measure these potential impacts. The first, Regis Walther's Work Relevant Attitudes Scale taps three separate types of work related attitudes. These are described by the scale's author as "Optimism," "Self-confidence" and "Unsocialized Attitudes." See, Walther (1975).

The second scale, the Work Ethic Scale (from Goodwin's Work Orientation Questionnaire) attempts to assess the extent to which the respondent perceives that work advances his or her self-development and that such efforts will lead to success. See, Goodwin (1972). FN continued.

Results from a variety of Job Corps participants showed that although there were no significant differences among groups at pre-test, there was a consistent, though not always statistically significant, drop in the social psychological level of self-confidence and optimism for all groups between the pre- and post-test. However, there were no significant positive differences across groups on the 3 scales which directly measured attitudes toward work. Few changes in attitude emerged on the post-test, and those that did were negative. The impact of Job Corps, for example was negative for those who dropped out early as their attitudes toward work dropped on all scales. For men and women who stayed at least three months (i.e., Persisters), Job Corps seemed to have no impact, positive or negative. The authors conclude that attitudes toward work are not easily improved over a ten-month period. If, however, a young person makes a commitment to improve his or her work skills and this goal is not realized, the result can be a negative impact on attitudes toward work. In sum, remaining in Job Corps allows a young person to retain his or her initial positive attitudes toward work; dropping out is associated with a significant and negative change in attitudes toward work.

In a study conducted for the authors by the ETS, a number of separate non-residential training and apprenticeship projects, funded under YEDPA, were examined. There were no significant meaningful changes from pre-program to

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The third, Goodwin's Lack of Confidence in Ability to Succeed in the World of Work Scale (see Goodwin, op cit) measured the degree to which the participants felt that they could succeed in the job market. A positive change on this scale indicates a decline in confidence. See, Goodwin (1972).

The groups were: Persisters (those who remained in Job Corps at least three months); Dropouts (those who attended Job Corps for less than three months); and No-Shows (non-enrollees).

post-program on the battery of ETS attitude and knowledge area scales. The non-residential skill-oriented programs do not seem to raise the attitudes and knowledge areas of low-income youth (Hahn, 1983).

Job Search Assistance

Job search skills can be acquired through formal instruction. Youth who are taught how and where to look for work may do better in the labor market than youth who search by trial and error. A number of job search assistance programs were sponsored under YEDPA to provide youth with the skills necessary to initiate self-directed job search. The programs were comprised of courses, workshops, counseling, role playing, simulated job search, and actual job search. Job search assistance programs taught participants how to prepare resumes, present information over the telephone or during an interview, and impart common sense advice on how to approach employers and get jobs.

One YEDPA study of a CETA job search assistance program examined the Cambridge, Massachusetts Job Factory (Hahn and Friedman, 1981). Each cycle of the Job Factory lasted approximately four weeks and paid CETA stipends to youth to learn how to find a job. The study randomly assigned out-of-school CETA eligible youth to program and control groups with procedures to assure equivalent distribution by age, sex, and ethnicity. There were several cycles of operations. The first and last cycles served graduating seniors in the last days of their senior year, while other cycles served unemployed youth, some with, and others without, high school diplomas.

Although the principal outcome of interest in job search assistance is employment, these findings will not be discussed here. Instead, regarding work attitudes (as measured by the ETS/SAS psychometric battery) it was apparent that for this program, the short duration of job search assistance and the emphasis on job finding rather than career development resulted in no significant, meaningful, positive gains in attitudes and knowledge areas from pre- to post-test. The researchers document that job search assistance works in the short-run by speeding up the process of job finding rather than transforming the work orientations of young participants.

Summer Work Experience

Together with the Job Corps, the Summer Youth Employment Program (SYEP) is the oldest surviving youth employment program. SYEP is also currently the largest of the CETA youth programs, generally serving over 700,000 economically disadvantaged 14-21 year olds in the summer months. Given its size, the SYEP program has a major impact upon the youth labor market during the summer months, particularly for minorities and economically disadvantaged youths.

As reviewed in Chapter 6, the SYEP program, however, has been subject to a growing number of criticisms during the past few years. These criticisms have been directed at the value of the work activities performed by youths, and the program's perceived failure to generate long-lasting impacts on the employability, educational status, and work attitudes of SYEP youth participants (Office of Youth Programs, 1979).

A major evaluation of the regular summer work experience program was conducted for the Department of Labor (Nellum and Associates, 1980). The primary purpose of the study was to evaluate the impact of SYEP participation on the post-program work-related behavior and attitudes of economically disadvantaged youth. The Nellum study assessed the net impact of the 1979 SYEP program in 8 sites across the country by collecting and analyzing information on a sample of non-participants as well as on youth who had participated in the program. In most cases, the sample of non-participants was drawn from the pool of applicants to the program who were not accepted for reasons other than eligibility (e.g., surplus applicants). Approximately 900 SYEP participants and 900 non-participants were included in the analysis.

Another evaluation by Nedwek and Tomey (1979) focused on the changes in attitudes of participants in the 1978 summer youth program and of participants in the 1978 summer Vocational Explorations Programs (VEPS).

The effects of summer youth programs on work attitudes in the Nellum study and in the Nedwek and Tomey study were mixed. The Nellum study indicates that SYEP exerts no positive effects on attitudes. There was, for example, no significant changes in work attitude and job knowledge test scores between the start and completion of the program for either participants or non-participants In contrast, the findings from the Nedwek and Tomey study indicated that participants in the regular summer program showed less improvement than did youth in VEPS, they still improved their scores on measures of life satisfaction, self-esteem, attitudes toward the world of work, and knowledge of the world of work.

In addition to the formula-funded Summer Youth Employment Program (SYEP), the Department of Labor funded a series of enriched summer youth program demonstrations designed to test their effects upon the schooling, employment, and work attitudes of different subgroups of the youth populations. These demonstrations have been administered by a wide variety of community-based service groups, and add support and educational services to the basic summer work experience approach. Evaluations of the impact of these demonstration programs generally make use of comparisons between participants and youth from non-random comparison groups. The impact of two of these programs on participant attitudes is discussed below.

The 1979 summer Career Exploration Program was operated by Opportunities

Industrialization Centers of America (OIC) and was designed to serve the employment and training needs of 16-21 year old high school dropouts, potential dropouts and juvenile offenders from the economically disadvantaged youth population (Opportunities Industrialization Centers of America, Inc., 1980). The services were offered to assist youth in clarifying their occupational interests and goals, and to provide them with an opportunity to explore alternative career options.

The OIC career exploration program operated in seven sites for ten weeks during the summer of 1979. In order to allow estimates to be made of the net impact of CEP participation, eligible youth were assigned to either the program or to a comparison group. Approximately 1850 participants and 860 comparisons were included in the sample used to evaluate the effects of this program.

SER-Jobs for Progress (1980) administered a 1979 summer career exploration demonstration program in eight separate sites throughout the nation. The program lasted eight weeks and was designed to enhance the employability of participants and encourage them to either return to school or continue their formal education at the end of the program. Approximately 1025 SYEP eligible individuals participated in this demonstration program; about 20 percent were high school dropouts, 65 percent were high school students, and 15 percent were high school graduates or holders of GED certificates.

The program provided participants an exposure to several jobs in local firms cooperating with the program, as well as classroom instruction in job preparation, English As A Second Language, and survival skills. The comparison group consisted of 470 individuals not receiving the career exploration and classroom training services (although some did enroll in regular federal SYEP programs).

Both of the enriched programs demonstrated some positive effects on par-

participants. Relative to comparison group youth, participants generally showed higher school enrollment and higher employment rates. However, the evidence indicates that the programs did little to improve job-relevant attitudes. Neither in the case of the OIC and SER programs did participants gain more on tests of work attitudes and job knowledge than did comparison group youth.

Summary

The following table pools many of the separate program reports reviewed in the chapter along with other relevant YEDPA demonstrations. We asked the Educational Testing Service to list all positive gains at the .05 or .01 confidence level by major category of youth program demonstration. Although pooling information across programs within clusters obscures the findings for each separate program, the results are generally consistent with the separate evaluation studies. Table 8-1 shows:

- No gains in attitudes/knowledge areas from pre-employment/job search programs or training/apprenticeship programs.
- School to work programs alter vocational attitudes, job seeking skills, and perceptions of sex stereotypes in occupations. None of the gains, however, are very large.
- Summer programs serving mostly in-school youth change vocational attitudes and sex stereotyping. Out-of-school programs change the latter along with job holding and job seeking skills.
- Work experience programs change only vocational attitudes, but not other work related attitude and knowledge areas.

Turning now to the separate studies reviewed in this chapter, if one were to ask, "Do attitudes and knowledge areas change as a result of participating in a YEDPA program?" the following statements can safely be made from the research findings:

TABLE 8-1

Adjusted Gain Score Analysis: Work Attitudes and Knowledge Areas in the ETS/SAS Data Base Pooled by Program Category

Significant gains at the .05* and .01** confidence level shown. The percentages indicate the magnitude of the changes (as a percent of each scale's standard deviation)

Content Area	Pre-Employment and Job Search Programs	School to Work	Summer In-School	Summer Out-of-School	Training and Apprenticeship	Work Experience
Vocational Attitudes			** .09			* .12
Job Knowledge		* .06				
Job Holding				* .06		
Work Relevant Attitudes						
Job Seeking Skills		** .07		** .07		
Sex Stereotyping		** .14	** .07	** .14		
Self-Esteem						

Programs in each category:

a) Pre-Employment and Job Search: Job Factory, Workshop, NAB/VEPS

b) School to Work: YCD, Year I, Puerto Rican Forum Yr 1, Jobs of Delaware Graduates, Yrs 1-2, NAB/VEPS In-School, IBS Volunteer Assistance, PUSH

c) Summer In-School: OIC Years 1-2, SER Yrs 1-2, NAB-VEPS Yrs 1-2, NELLUM SYEP, Marquette Summer Science, NFL Years 1-2

d) Summer Out-of-School: OIC Years 1-2, RTP Year 2, HRDI Years 1-2, NUL Year 2, Project STEADY

e) Training and Apprenticeship: SMAP CT portion, HOPE, Corporate Career, Grant Step, BAT-2 sites, Rural, DAM-Year I, EDC I

f) Work Experience: SMAP portions, St. Louis, Public/Private, Mixed Incomes, Green Thumb

* These programs are described in chapters and appendices throughout this report.

Career Development: Yes. In some instances, modest gains relate significantly to post-program outcomes, such as quality of jobs found. None of the attitude or knowledge gains, however, relate significantly to post-program job finding. Overall, school to work programs do change significantly the vocational attitudes, job seeking skills, and perceptions of appropriate jobs.

Work Experience: Gains are reported on vocational attitudes and work-relevant attitudes after the work experience for some persons. Higher gains occur among those completing the work experience than among those who left the program early. Basic reading ability is associated with changes in work attitudes. Only one scale out of a battery of work-related attitudes and knowledge areas relates significantly to post-program job finding. Overall, in the pooled analysis, only vocational attitudes seem to change.

Intensive Training: No (positive or negative) gains in work-related attitudes for those who remain enrolled in Job Corps at least three months. Dropping out of Job Corps, however, was associated with a significant and negative change in attitudes toward work. No gains in attitudes/knowledge areas for non-residential skill training/apprenticeship programs.

Job Search Assistance: No evidence of meaningful changes in work orientations.

Summer Work Experience: Impacts of summer programs on attitudes were mixed with one study indicating no positive effects on work attitudes, while a second study found program participants experienced improvements in their social and work-related attitudes. The pooled analysis shows that enriched summer programs have some measurable effects on several job-related attitudes and knowledge areas. None of the effects, however, are large.

What can one conclude from both the YEDPA and pre-YEDPA evidence concerning the impact of employment and training programs on the work attitudes of disadvantaged youth? Do programs have any impact? If so, in which direction? If not, should policymakers bother to address directly the issue of work attitudes in employment and training programs? The last section of this chapter focuses on these and other issues of concern to both policymakers and program practitioners.

Conclusion

Both conventional wisdom and program experience suggest the importance of positive work attitudes in the establishment of stable and successful employment patterns. But is it necessary for public employment and training programs to attempt to change directly young people's basic attitudes toward work?

This chapter has shown that the idea that disadvantaged, low income youth hold negative attitudes toward work and that these attitudes in turn are responsible for their inability to obtain employment cannot be strongly supported by the evidence from the pre-YEDPA or YEDPA eras. Nonetheless policymakers have made socialization and attitude change central features of strategies to increase the employability of disadvantaged youth.

We examined two decades of employment and training programs for their impact on young participants' work-related attitudes. The chapter noted the methodological shortcomings of many evaluations of the early job training programs. We concluded that little confidence could be placed in the early research findings. Even taken at face value, however, it is striking how few studies from the MDTA era document successful change in work orientation as a result of program participation.

Next, we reviewed recent findings from a massive federal demonstration effort to understand the unemployment problems of the nation's youth. We reviewed five types of youth employment training programs. In only three of the approaches reviewed were there clear-cut in-program gains on work-relevant attitudes. Some work attitudes do seem to change somewhat as a result of work experience, career development programs, and summer programs. However, in all three cases, there is not a clear connection between the changes in work orientations and subsequent job finding. Therefore, even when attitudes are changed through special counseling or work programs, there is a tenuous relationship between the changed orientations and ultimate results in the labor market.

One might ask, "if the work attitudes of disadvantaged youth are positive to begin with and if, as much of the empirical evidence indicates, youth really do want to work, why should employment and training programs attempt to change directly attitudes at all?" First, it may be that the lack of program impact is attributable to the fact that youthful work attitudes are positive to begin with. Second, even when attitudes are changed, few, if any, studies show a direct link between the changes in attitudes and post-program success in the labor market. The latter conclusions suggest that programs designed specifically for changing work orientations may be unnecessary or focused on a problem that resists the specific program treatment.

The review leads to the conclusions that employment and training programs have perhaps place too much emphasis on changing attitudes and have miscalculated the work-readiness of the young clients coming in to the programs. The actions of the youth themselves speak louder than words; no battery of social psychological testing has refuted the fact that youth, in general, and disadvantaged, minority youth, in particular, generally take jobs when they are available. Perhaps the best testimony to the strong work ethic of our nation's youth is the vast flow of teenagers into the labor force very summer and into training programs when slots are made available throughout the year. In sum, we would argue that the behavior of youth tells us infinitely more about their work attitudes than do scores on a battery of psychometric tests.

Our review concurs with research which shows that the intermittent and casual attachment of youth to the labor market should not be confused with poor work attitudes or a rejection of the work ethic. Adolescence can indeed be characterized as a period of "moratorium." Rather than trying to instill adult work attitudes in young people, policies should aim to increase the total number of jobs available to disadvantaged youth and provide skills training to job-ready youth who may be unprepared for the technological demands of the labor market. Finally, no discussion of the attitudes of youth should ignore the perceptions, attitudes, and hiring practices of employers.

Despite our criticism of the attitudinal focus of programs, we believe that programs must be careful to counter the low expectancies of success that many youths bring to training programs. Employment training programs should develop approaches which heighten the youths' expectancies of completing the programs and successfully attaining jobs in the unsubsidized labor market. Approaches for the latter need not be aimed at the socialization or value development of youth, since it has been shown that these elements frequently take care of themselves in well-managed, basic skills, work experience, or skills training programs. It is the improvements in the management of employment and training programs for disadvantaged youth, including competency-based curricula, that may well represent the single greatest challenge for the next generation of youth programs.

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CHAPTER 9 - STIMULATING JOBS FOR DISADVANTAGED, OUT-OF-SCHOOL YOUTH: A REVIEW OF JOB CREATION EFFORTS IN THE PUBLIC AND PRIVATE SECTORS

1.0 Introduction

High unemployment often generates calls for a public role in providing jobs for the unemployed. Since low income youth have experienced chronically high unemployment, government job creation programs have frequently included youth as a primary target group.

Public initiatives to employ youth directly date back at least to the New Deal, when the Federal government first undertook direct job creation as one response to the massive unemployment during the Great Depression. At their peak, programs such as the WPA, CCC, and PWA employed over 5 million workers of a total labor force of 50 million. Job creation under the New Deal ranged from the construction of dams, highways, and art murals to the reforestation of rural lands. Among the various New Deal work programs was the National Youth Administration (NYA). The NYA, which operated between 1935 and 1942, employed as many as 800,000 youth at one time. In several ways, the NYA was the precurser of several later efforts to provide jobs directly to help young students stay in school and out-of-school youth gain initial work experience along with some general education and training.

The next set of youth job creation programs developed in the context of the War on Poverty to deal with the problems of structural unemployment and the limited career opportunities of disadvantaged youth. The Federal government established the Neighborhood Youth Corps (NYC) at a time when the economy was nearing full employment, in stark contrast to the years of the New Deal's youth employment program. Between 1965 and 1973, the NYC provided jobs, mostly in the summer, to nearly 5 million youth.

A third phase of youth job creation took place within general public employment programs of the early and mid-1970's. Beginning with the Emergency Employment Act (EEA) and later under the Comprehensive Employment and Training Act (CETA), the Federal government funded massive programs whose primary purpose was to provide jobs for those who would otherwise be unemployed. Youth under 22 made up nearly 25 per cent of CETA's job creation Titles. In addition, CETA prime sponsors employed 700 to 900 thousand youth in the summer in a continuation of the NYC summer program.

With this pre-1977 history, it is clear that the YEDPA job creation programs came after years of similar past efforts to lower youth unemployment. What was new was the Congressional mandate that learning about the impact of youth employment programs was a high priority goal of the legislation.

Although YEDPA supported research and demonstrations provide an substantial amount of new information, considering issues outside those directly under the YEDPA research mandate is also important for anyone trying to interpret outcomes based on job creation programs. By their nature, job creation programs raise broad macroeconomic and local public goods issues as well as the specific matter of effects on youth participants. Although we do not try to break new analytical ground concerning these issues, we do bring out how the demonstration results relate to familiar questions, such as fiscal substitution, countercyclical timing, and value of public output.

This chapter's prime focus is on how job creation programs affected the employment levels of low income youth. Of course, this means taking account of program costs as well as effects on youth jobholding. The paper deals with a variety of projects, emphasizing larger ones with the most complete research. YEDPA-sponsored research and demonstrations form the core information for the paper.

The paper begins with a discussion of the critical questions relating to youth job creation policy. Next, we refer to some of the YEDPA-sponsored projects designed to examine the job creation policy. In this chapter, we view work experience programs (such as those reviewed in Chapter 4) as public initiatives to provide jobs for youth. Section 3 mentions which projects offer the most usable data for assessing the job impact and output effects of youth employment programs. Section 4 begins by pointing out the difficulties of estimating net employment effects with data on employment and program enrollments over time. It next provides a simple explanation of why increased government demand for youth may not translate into added youth jobs. After making this theoretical point, we pull together the empirical evidence on net job creation and output values resulting from youth employment programs in the public sector. Section 6 examines the impact of programs and demonstrations that attempt to stimulate private sector jobs for low income youth. We conclude in section 6 with a summary and a derivation of the policy lessons for future job creation initiatives for low income youth.

2.0 Critical Issues in Job Creation Programs

The name, job creation programs, brings forth the image of a policy designed to add employment for the sake of jobs themselves. When unemployment is high and clearly involuntary, calls often arise for the government to take the initiative and to stimulate jobs directly so as to reduce the number unemployed. Advocates turn to several underlying rationales for employment programs, including their role in adding to national production, worker income, the maintenance and enhancing of skills, and even social stability and cohesion. Opponents of job creation schemes emphasize the artificiality of "creating jobs", arguing that the policy actually involves make-work disguised as income transfers. Some have even contended that putting the unemployed in these artificial jobs teaches them poor work habits and ultimately exerts a negative impact on their employment prospects.

The difficulty in gaining agreement on what to expect from job creation programs is one factor that has complicated the research and the public debate on the wisdom of such programs. So, our first task is to clarify the basic issues and criteria that should underly decisions about whether and how to adopt job creation programs for out-of-school, low income youth.

Job Creation Programs as Work Experience and Training

A good beginning is to consider job creation programs as similar to training programs. The recognition of the importance of on-the-job training in generating increased productivity and increased earnings serves as an important justification for the idea that putting youth directly to work can enhance their future labor market prospects. A productive worker is one who knows promptness and how to get along with fellow workers and with supervisors as well as how to perform the specific production-oriented tasks. Since many identified poor work habits (or the reputation for poor work habits) as important employment barriers facing disadvantaged workers, it made sense to think that policies providing work experience could enhance the job prospects of such workers. Moreover, many pointed out that even concrete job skills, such as filing, typing, answering the telephone, or moving equipment or supplies, might be learned more effectively on the job than in a classroom.

Given the potential of employment programs to achieve goals generally expected of training programs, it became natural for evaluators to emphasize what job creation programs do for the post-program prospects of participants. Thus, one stream of research has utilized the methodology developed for analyzing training programs. The basic approach is to determine the present value of the stream of increases in earnings that were generated by the program and to compare these benefits with the real resource costs of the program. Where the data are available, an evaluator may also be able to add other social benefits, such as reductions in crime rates. The resource costs are generally set equal to the outlays for instructors, equipment, and overhead plus the earnings foregone by those who participate in training instead of the labor market. Viewing the programs as offering work experience leads to an emphasis on how programs affect the characteristics of youth participants. Chapter 4 follows this approach and synthesizes program effects on the employability of individual youth.

Often ignored in such analyses is the way the measures of program success depend on the state of the labor market. On the benefit side, if increases in the skill level of one worker simply raise the worker's chance of obtaining a good job at the expense of another worker, then the increased earnings may not represent a increase in the country's productiveness. The gains will still represent a private benefit for the participant and may even imply a social gain to the extent that the displacement is desirable on distributional grounds. On the cost side, the earnings participants forego by undertaking training will overstate society's lost production to the extent that another worker (who would have been idle) performs the job that would have been performed by the participant. Yet, evaluators of training programs tend to assume a full employment economy in which the participant's foregone earnings do represent a real social loss. Such an assumption is untenable in general and is particularly inappropriate for judging the social costs of time spent by low income youth in job creation programs.

The full employment assumption is particularly weak in cases where it is the absence of full employment that provides the rationale for job creation programs. In fact, it is the way the program relates to the economy that sometimes becomes the central issue. Consider how to measure the social costs of the time spent by low income youth in job creation programs. With chronically high rates of unemployment among low income youth, job creation programs that attract youth participants are unlikely to create unfilled vacancies and thereby lessen output produced outside the programs. Any openings left by participants (or that would have been filled by participants) could easily be filled by otherwise unemployed youth. An important issue in valuing job creation programs is whether in fact, the employment programs simply create openings filled by those otherwise unemployed or they cause regular employers to draw on the more scarce groups within the labor force.

Job Creation Programs and the Economy

Job creation programs may exert two broad kinds of macroeconomic effects. The first is the traditional counter-cyclical impact, in which the jobs strategy competes with other strategies for stimulating demand during a downturn and for restraining demand at high employment, high inflation levels. Assessing the counter-cyclical impact requires looking at how fast the program can add jobs when times are bad and reduce the activity level when times are good. This, in turn, depends on the speed with which the program gears up and phases down, but also on the whether the program actually creates net new jobs or allows Federal dollars to pay for jobs that would otherwise have been financed by local and state government sources.

A second kind of effect is the possibility that job creation programs can raise the employment level consistent with preventing increases in inflation rates. The idea here is to utilize selective demand policy, under which much of the employment gain is confined to labor markets that are slack even when the rest of the economy is operating at high levels of employment and capacity utilization. To judge the program's impact on the unemployment rate considered the lowest consistent with nonincreasing inflation, one must determine which labor markets are affected as well as the nature of any displacement of Federal for state and local funds. Whether the program raises the productive abilities of participants is of importance to the macroeonomic as well as the micoeconomic impact of the program. After analyzing this issue, Donald Nichols as well as Martin Baily and James Tobin concluded that job creation programs for disadvantaged workers can be effective in minimizing the inflationary impact of raising employment levels. Yet, to others, the issues look far less clear. George Johnson, for example, argues that the Nichols and Baily-Tobin evidence is far too scanty to draw conclusions for policymakers.

Other matters, such as the value of program output and the program's distributional effects, are also relevant to the evaluation in a variety of ways. If, for example, the program's timing is as good and the program's distributional effects are better than an alternative stimulus tool, one still might decide against job creation schemes that yield much less real output than do other initiatives. In a high employment economy, phase-up and phase-down become less important, but the distributional consequences and the value of output remain as important criteria.

To summarize, the criteria for judging youth employment programs for low income youth include constant and market-dependent components. The analysis of the programs as upgrading youth through work experience appears in Chapter 4. This chapter addresses several questions about the job creation rationale of youth employment programs.

The first question is: to what extent did job creation programs raise youth employment? In dealing with this question, it is important to consider the job creation programs in themselves as well as in relation to other ways of stimulating the economy. This leads to the question of how quickly job creation programs gear up and phase down quickly to counteract cyclical fluctuations. Perhaps an even more important macroeconomic dimension of youth employment programs is their role in lessening structural unemployment and thereby in lowering the overall unemployment rate consistent with nonincreasing rates of inflation. Finally, distributional criteria are relevant to judging job creation programs in comparison to other employment stimulus tools.

3.0 The YEDPA Effort to Assess Youth Jcb Creation Programs

Estimating how well job creation programs stimulate youth employment may be accomplished in one of two ways. One approach is to examine the relationship between program enrollments and youth employment over time. The second is to examine selected programs in detail to determine net employment effects on particular youth subgroups. YEDPA supported little new work using the first approach. However, YEDPA-supported demonstrations did supply a large body of new evidence for estimating net effects through detailed case analyses.

The projects providing the most usable data for our purposes are the Ventures in Community Improvement (VICI), the Supported Work Program, and the Youth Incentive Entitlement Pilot Projects (YIEPP). Evidence is also available on the net employment effects of summer programs, but we already considered this evidence in Chapter 6.

One YEDPA-supported research project also offers information highly relevant to evaluating the job creation purposes of youth employment programs. In his study assessing the value of output produced in various youth employment programs, David Zimmerman* studied 36 youth and 6 adult job creation programs in 12 CETA prime sponsors and 2 Young Adult Conservation Corps sites. He used two methodologies for valuing output: a) the cost of producing program output by an alternative supplier; and b) the value of output to the community relative to the cost of supplying the output. In developing estimates of how much communities valued the types of output generated in the programs, Zimmerman provides information that is useful in judging the extent to which the employment programs added jobs that would not have been created in the absence of the youth programs.

4.0 The Employment and Output Effects of Youth Job Creation Programs

The primary purpose of job creation programs is to move idle youth who wanted to work into productive employment. In commonsense terms, it seems irrational for the country to leave young people unemployed when they could be producing needed goods and services. Yet, some public officials and analysts have raised doubts as to whether the job creation strategy can deal efficiently with high youth unemployment. The key questions are:

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* The Zimmerman study is described in detail in Chapter 6.

-----do youth employment programs actually increase the total number of employed youth or merely shift young people from private to public jobs?

-----are youth employment programs more effective in raising employment among disadvantaged youth than other policies to stimulate the economy?

-----are youth employment programs effective as a counter-cyclical device? and

-----do added jobs through youth employment programs yield less output than other sources of government demand?

This section takes up these questions about in-program effectiveness of job creation programs by bringing together results from several actual projects. In undertaking the synthesis of in-program effects, one must take account of the variation across projects in goals, size, duration, and management style. To illustrate the problem, we can consider what may happen when we attempt to derive value of output estimates from two or more projects instead from one. Even if the projects sound similar, they may differ in terms of the stress operators placed on the value of output goal versus the training goal. In this situation, combining the results from more than one project does not necessarily lead to a more reliable measure of the value of output from job creation programs.

The analyst could in principle overcome this problem if enough projects existed that produced sound evaluations. Then, one might be able to distinguish how much value of output can be expected from a project that say, a) emphasizes output, not training, b) utilizes good management practices, and c) had operated for at least 1 year before the current evaluation. However, even with the sizable number of YEDPA demonstrations, we do not have enough sound projects to produce this level of detail. The spirit of this review is to learn as much as possible from the available studies and projects without overstating the conclusiveness or completeness of the findings.

4.1 General Considerations in Assessing Net Job Creation Effects

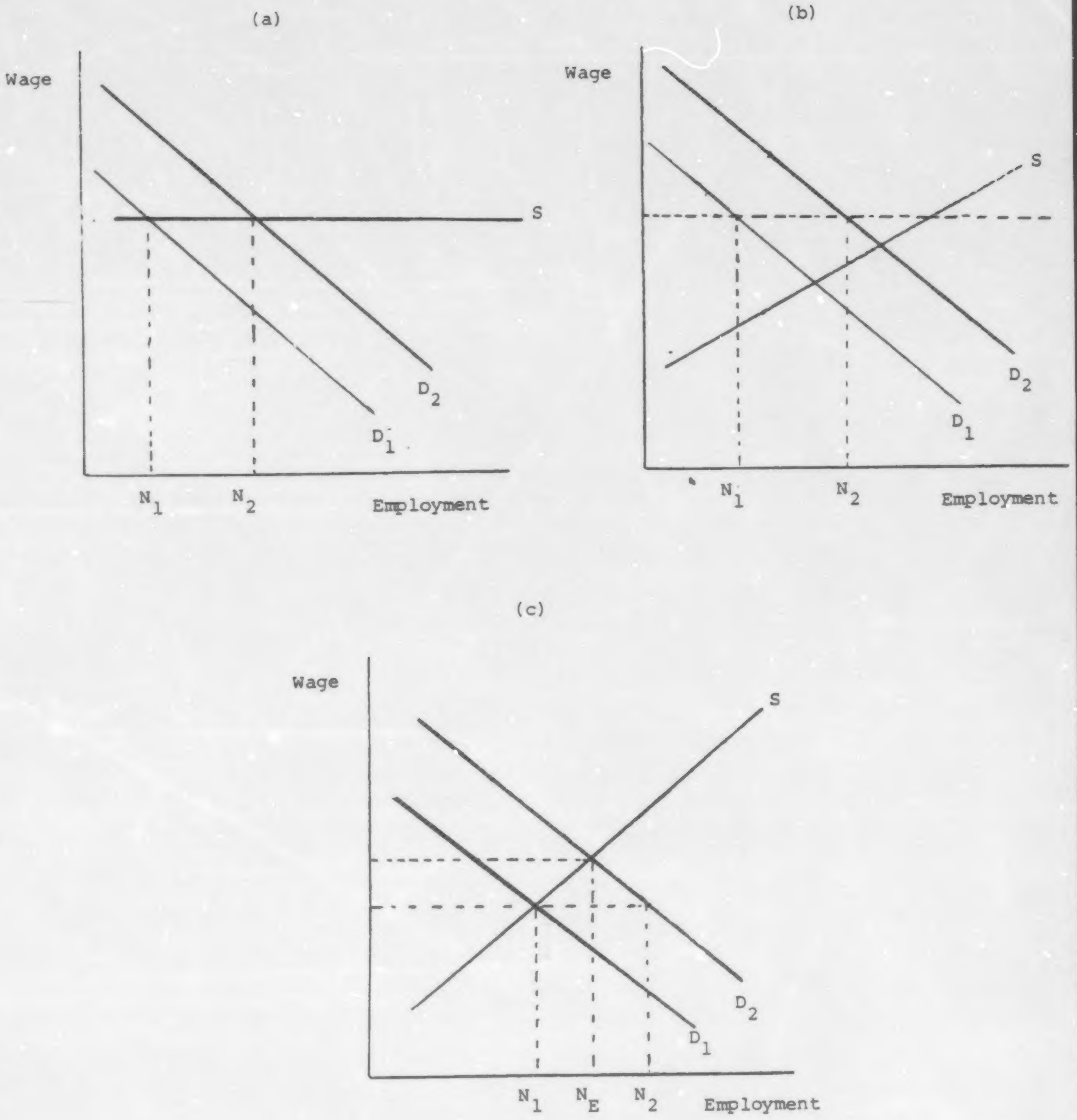
4.1.1 A Theoretical Overview

How job creation programs affect the employment of disadvantaged youth appears obvious but is actually a complex issue. To determine employment effects requires 1) estimates of the program effects on the *demand* for disadvantaged youth and 2) on the extent to which increases in demand translate into increases in employment or increase in wage rates.

Most job creation initiatives involve full public subsidies for local governments or nonprofit agencies to hire disadvantaged youth. Figure 4.1 illustrates the ways these increases in demand affect employment and wage rates. The purpose of the job creation programs is to shift upward the demand for disadvantaged youth. However, as Figure 4.1 indicates, even an increase in demand may not bring an equivalent increase in employment, if the demand shift raises wage rates. Case (a) or case (b) shows instances in which the program's demand increase, represented by N2 - N1, adds an equivalent number of jobs for disadvantaged youth. The difference between (a) and (b) relates to the reason for an elastic supply of youth at the program wage. The supply curve in (a) represents behavioral propensities of disadvantaged youth while (b) shows an elastic supply resulting from the impact of the minimum wage. Finally, (c) illustrates a case in which part of the increase in demand raises wage rates and part raises employment levels.

Some critics of job creation programs raise questions even about the program effects on the demand for workers. A Federal job creation program might not increase jobs if state or local governments simply substitute Federal dollars and/or CETA workers for state and local dollars and/or dollars and/or regular workers.

Figure 9-1


(a)
Wage
S
D2
D1
N1
N2
Employment
(b)
Wage
S
D2
D1
N1
N2
Employment
(c)
Wage
S
D2
D1
N1
NE
N2
Employment

Some view the substitution issue as involving several dimensions. The types of substitution in order of declining seriousness are when state or local governments use federal job creation dollars:

1) to pay regular public workers performing their normal jobs;

2) to hire new workers who are similar to regular workers to do the tasks that would have been funded in the absence of the federal program; and

3) to employ low skill, economically disadvantaged workers to perform tasks that would have been undertaken in the absence of the federal program.

These possible effects depend on what happens in the market for disadvantaged workers as well as for other workers. Figure 9-1 portrays the market changes that might result from the job creation programs. If the jobs program simply pays the same public workers with Federal instead of state and local money, then the demand curve for disadvantaged youth would not change. But, if the program alters the mix of demands toward disadvantaged youth, as under in b) or c), then the increase in demand for youth would be at least partly offset by decreases in the demand for other workers.

The vast literature on the issue of substitution of Federal for state or local dollars has dealt almost entirely with adult public service employment programs in the context of types 1) and 2). To this point, the studies have generated little consensus on the size of the substitution effect, but do point to factors that may affect substitution. In general, the use of federal dollars to pay for workers who would have been hired and paid through state and local funds becomes easier:

-----over the long run,

-----where program wages reach high enough to normal public employee wages,

-----where governments can employ workers with similar characteristics to normal workers,

-----where governments, not private nonprofit agencies, actually employ the workers; and

-----during periods of constant or increases in government employment.

Since youth job creation programs pay the minimum wage (a wage well under the wage earned by even low skill public employees) and use workers with little experience relative to normal public workers, state and local governments would rarely be able to engage in substitution of forms 1) or 2). Still, youth programs have operated for several years and, while the size of each year's program is uncertain, state and local governments have been able to anticipate receiving federal dollars for at least some youth job creation activities. Over time, state and local governments could have come to rely enough on some federal youth dollars in order to use young workers for tasks that would otherwise have been financed locally and undertaken by regular public workers.

This form of substitution (type 3) may actually be good for the country. To the extent that youth working in job creation projects are in fact able to produce as much as regular public employees do, the public sector jobs will have reduced structural unemployment at little or no cost to taxpayers. Moreover, this shift in the government's work force toward workers from slack segments of the labor market can have positive macroeconomic effects since the higher availability of moderate wage, experienced workers in the conventional labor market lessens the potential wage inflation that could develop when the economy expands.

Whether the young subsidized workers substitute for regular public employees relates closely to the nature and value of output produced under the programs. Governments will be able to use youth job creation programs to substitute to reduce their need for regular employees only if the programs yield real output. In the extreme case, where programs displacing as many workers as they employ, the value of output will likely equal or even possibly exceed program outlays. While substitution and value of output issues interact, we shall initially examine the two issues separately.

The employment impacts of job creation programs also depend on the composition of disadvantaged youth in the job market. If low income youth workers were homogeneous and part of a distinct market, then it would not matter which of the eligible youth actually entered the job creation program. However, given that disadvantaged youth are heterogeneous and participate in an overall youth market, the program effect may depend on which disadvantaged youth are hired. Suppose, for example, that the program drew half of its participants from youth who would have been employed in the private market. In that case, the jobs vacated by program participants might end up being filled by workers from other groups, such as moderate income youth. Then, even if the program has no impact on wages, the net increase in jobs for disadvantaged youth would fall below the number employed in the program.

A final consideration is how the program's net impact on total employment interacts with the economy. Job creation program certainly do not represent the only way to increase total demand during a slack period. The government could undertake other programs or cut taxes as a substitute form of demand stimulus. Still, youth job creation could exert a positive impact on employment even if program outlays were offset by reductions in

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*Potential cost savings could result since the job creation program would tend to pay lower wages than the displaced public employees would have earned.

spending on other programs. Through the highly targeted approach, the programs can raise disadvantaged youth employment more than do normal outlays. Since they tend to earn lower wages than the average worker, more total jobs will come from this as compared to other ways to increase demand. More important, as noted above and illustrated in Figure 4.2 (b), the use of an approach that concentrates demand increases on slack segments of the labor market lessens the inflationary potential of a given demand expansion and thus allows the government to supplement the demand stimulus (which adds further to total output and employment) at no additional cost in inflationary pressure.

4.1.2 Issues in Estimating Net Job Creation

Tracking the relationship between program enrollments and youth employment over time would seem to be the most direct and appropriate way to estimate net job creation. Since the key issue is how the programs affect the aggregate economy, the ideal method would yield estimates of overall youth employment and other outcomes. Any such effort would have to take account of cyclical and other influences on youth employment in addition to variations in program levels. However, with adequate variability, one might be able to isolate the role of youth program levels.

Unfortunately, several problems arise in trying to derive program effects from time series data. First, the limited number of observations and the many nonprogram influences on youth employment make it difficult to identify program effects. Adding to the usual indentification problems are the frequent changes in the nature of the programs and the form of the program data on enrollments. In capturing effects on youth employment from 1979 to 1980 program changes, the analysis would have to take account not only of CETA oriented policies, but also the potential influence of other policy changes, such as the Targeted Jobs Tax Credit and the change in the minimum wage, and the effects of changing macroeconomic conditions.

A second problem is that ongoing data on the primary target group, low income youth, are often not available and subject to considerable error. The use of data on black youth provides a proxy for data on low income youth that is of only limited usefulness. The sample size for black youth is small and in many ways not representative of the population of low income youth.

A third difficulty relates to the way program participation may translate into labor force status, as measured by the Current Population Survey. According to instructions provided to CPS interviewers, those youth in CETA institutional training are likely to be classified as unemployed while those working for pay in a public job or OJT position are to be considered employed. However, since training positions pay stipends (as do public jobs), there is a possibility that respondents (usually the mothers of youth participants) will misreport job activities as training.

Finally, problems can arise in obtaining accurate quarterly data on the number of youth employed in public job programs. The Department of Labor does not publish information on jobholders in all programs by age and by quarter. Moreover, it is not clear that the concept reported on enrollments at the end of each quarter corresponds to the CPS definition requiring that the individuals worked during the week prior to the survey week (the week of 12th each month--not the last week).

The alternative to using a time series approach is one which relies detailed analysis of how particular programs affect youth subgroups. This approach has several advantages. The data on enrollments and on youth affected by the program are accessible. The indentification difficulties are less severe, since the comparison is usually between groups who are all affected by the same macroeconomic setting. Yet, the detailed analyses are subject to two main criticisms. One is the inability to generalize from observing effects in a specific program to national program effects. A second is the frequent inability to take account of labor market effects that may take time to offset program effects.

This paper emphasizes the YEDPA-funded approach of analyzing net employment effects on the basis of individual program experience.

4.2 Evidence on Employment Effects of Youth Public Job Creation Projects

The youth job creation projects reviewed in this paper provide evidence on the two main questions relevant to the issue. These are:

-----do the youth employment programs actually result in added public jobs for youth and/or other workers or do governments substitute job creation money for other sources to carry out normal activities?

-----do the increases in public jobs held by youth lead to net employment gains or do workers hired in program jobs simply shift from private to public sectors without creating new positions for other youth?

4.2.1 Implications of Value of Output Studies

The evaluations of job creation projects did not explicitly analyze the extent to which governments replaced other workers with youth program participants. The value of output study is an exception. Here, the author undertook an explicit effort to determine the size of this form of substitution. On the basis of responses by officials in agencies operating various ongoing youth programs (not demonstration projects), Zimmerman concluded that youth performed a significant amount of work that would have been undertaken in the absence of the programs. Specifically, in about one-quarter of the cases, youth produced about the same level of output that would have been produced by alternative suppliers. About one-third of the projects generated output that represented entirely new output. The remaining cases involved some, but less than total output substitution. To the extent that program output did not substitute for other government output, the value of the production is uncertain.

Although Zimmerman documents that the extent of output substitution is substantial, he does not discuss the implications for the level and distribution of employment when youth programs rather than conventional local mechanisms produce the public output. Even in those cases where little or no new output came out of youth programs, the mix of workers almost certainly shifted in such a way as to raise employment levels of disadvantaged youth. The size of the shift would depend on the difference between the disadvantaged youth share of employment in the job creation projects (all but supervisory personnel) and their normal share of local public sector employment. Where the project output does not reflect substitution, the program jobs made available to disadvantaged youth come only at the expense of jobs that would have developed from spending that was displaced by program outlays. In comparison to an equal dollar increase in demand from general tax cuts or road outlays, the job creation programs will certainly add more to disadvantaged youth employment and probably to total employment as well.

4.2.2 Extrapolating Net Employment Effects from Aggregate Data

To trace the net effect on disadvantaged youth employment of general demand measures is difficult because of the absence of annual data on disadvantaged youth employment and because of the need to break down how much of each year's employment change came from youth program outlays and how much from general demand changes. It is also difficult to develop reliable estimates of how normal state and local purchases affect total, youth, and disadvantaged youth employment.

One can gain some idea of the magnitude of the demand effects by looking at the average level of disadvantaged youth employment in relation to GNP. In 1977, employment of disadvantaged youth, ages 16-24 averaged 1.7 million and GNP equalled $1.887 trillion. This implies that it took about $1.1 million of GNP for each employed disadvantaged youth. Since disadvantaged youth employment is cyclicly sensitive, the average figure no doubt understates the marginal impact of GNP on disadvantaged youth employment. However, even if the marginal impact were double the average impact, an increase of $550,000 in GNP would be necessary to add one job for a disadvantaged youth. This implies, given a government multiplier of about 2, government outlays would have to rise by about $275,000, or over 50 times the cost of using direct job creation to increase disadvantaged youth employment. These numbers are subject to considerable error, largely because of the uncertainty about the difference between average and marginal effects of GNP on disadvantaged youth employment. When the economy is near full employment, then the marginal effects will be especially large, in part because other people interested in jobs will already be working when GNP rises. Disadvantaged youth may be one of the few groups with plenty of workers immediately available for jobs. On the other hand, when times are bad, then the marginal impact of general GNP growth may lie close to the average effect.

Since government production is relatively labor intensive, we would expect less striking differentials when comparing youth job creation to a substitute method of government production. However, youth make up a lower share of government employees than of nongovernment workers. In 1979, for example, 16-24 year-olds were 24 per cent of total employment but only 14 per cent of government employment. Thus, even though creating an average government job involved much lower outlays than creating the average job in the economy, the employment impact on youth employment from government expenditures was only moderately higher than from a typical GNP dollar.

To summarize the results concerning government substitution, about half of the jobs created for disadvantaged youth displaced similar work that would have been undertaken by other suppliers. The other half represented new output which clearly raised youth employment and disadvantaged youth employment substantially over the levels that would have been generated by a similar amount of aggregate demand. But, even in the case of direct substitution, the increased youth employment per dollar certainly well exceeded the levels expected from general government outlays. On the basis of these considerations, job creation dollars would be about 50 times more efficient than standard government outlays in raising the employment of disadvantaged youth.

These estimates do not reflect two factors that would reduce the size of the employment effects. The first concerns the possible impact of added demand on youth wages, an impact that would lessen the size of the employment effect. Given the extremely high and chronic unemployment experienced by low income youth and given the real disemployment effects generated by the minimum wage, little of the demand increase is likely to be diverted from increased employment into higher wages for disadvantaged youth. A second factor potentially reducing the net jobs effect relates to the drawing of some disadvantaged youth participants from private jobs. When disadvantaged youth leave or do not take private jobs in order to work in a job creation program, the private jobs left open may go to other workers, including moderate income youth. If so, then the net job gain for disadvantaged youth would be overstated by the methods discussed above.

To take account of the displacement of participants from private to public jobs, one can compare the employment of participants with the employment of similar youth who did not participate in the programs. Several studies have produced such comparisons.

4.2.3 Evidence from Demonstrations About Displacement from Private Jobs

The Supported Work evaluation tracked the employment levels quarter by quarter for participants and the control group. Over the first 3 months after participants entered the program, their employment levels were nearly 100 per cent while controls experienced only a 29 per cent employment rate. The gap narrowed over the next three months to a 82 to 39 per cent advantage for experimentals. By months 7 through 9, many youth were already in their post-program period. On the basis of the first 6 months, employment in the treatment group was about 2.7 times the employment rate of controls. This implies that only about 1 of 3 Supported Work jobs went to youth who were drawn from other jobs.

The VICI evaluation offers some information on differences in the employment patterns between participants and a comparison group of disadvantaged youth. In estimating foregone earnings of participants, evaluators took quarterly earnings of controls over a post-program period and multiplied by 3 to account for the typical 9 month program tenure of participants. While it may be somewhat hazardous to rely on post-program data to estimate in-program effects, the bias is likely to be small. In any event, in-program earnings of participants were 5.8 times earnings estimated for the comparison group. Although some of the earnings advantage for participants was due to higher wage rates as opposed to higher employment, the indications are that no more than 1 of 5 VICI participants would have worked in the absence of the program.

The most comprehensive look at net employment effects from youth job creation may be derived from the experience under YIEPP. Unlike other projects that exert only small labor market effects, YIEPP was large enough to influence in a major way youth opportunities for participants and nonparticipants alike. It is easy to illustrate the differences in approach.

In viewing net effects as the difference between the employment rates of participants minus employment rates of a control group, one must assume that the jobs opened up by the program do not raise opportunities for the control group. Using the assumption we employed in examining the VICI and Supported Work outcomes does not allow controls for potential spillover effects that could occur if the program's absorption of participants leaves controls with less competition for jobs and higher employment rates. A final problem is that the treatment-control comparisons relate only to a subset of disadvantaged youth (only those interested in applying) rather than to a broader sample of disadvantaged. Under the YIEPP approach, the comparisons were between cities with YIEPP and comparable cities without YIEPP. This allows one to capture a) potential substitution by local governments that might have limited their net job creation for youth (such as fiscal substitution or adult for youth substitution in regular CETA titles); and b) the extent to which YIEPP jobs shifted youth from private to public jobs without opening new opportunities for nonparticipants. However, the YIEPP approach faces the problem of controlling for differing trends between treatment and control sites other than the presence or absence of YIEPP.

Overall, the findings from the YIEPP analysis provide persuasive evidence of substantial and robust net employment effects from youth job creation programs. Tables 9-1 and 9-2 reproduces some of the results reported by the YIEPP evaluators. In the year prior to YIEPP, low income youth in pilot sites actually experienced lower employment levels than did those from control sites. Yet, during the period when YIEPP was operating, poor youth in the pilot sites gained an enormous and consistent advantage over poor youth in control sites. The program impact was considerably larger during the school year than during the summer months.

Although YIEPP placed many youth in private sector jobs, most of the net employment effects came from added public rather than added private jobs. At the same time, it is noteworthy that none of the increased public jobs opportunities for poor youth came at the expense of a loss in private jobs for the group.

Within the overall pool of poor youth, the net employment gains were highest among poor black youth. During the school year, only 17 per cent of black females and 26 per cent of black males would have found jobs without YIEPP. The jobs available through YIEPP raised these employment rates to 39 per cent for black females and 44 per cent for black males.

The YIEPP evaluators provided detailed estimates of the net job creation per job funded through YIEPP. Overall, each new YIEPP job provided during the school year raised jobholding among poor youth by 2/3 of a job. The summer net job creation rate was slightly lower, standing

Table 9-1 Average Employment/Population Ratios, by Pilot or Control Site, and Period

	Total		Sample Size	
	Pilot	Control	Pilot	Control
Preprogram				
Spring 1977	7.0	7.6	2,778	1,255
Summer 1977	22.7	26.2	2,778	1,255
Fall 1977	10.6	12.7	2,778	1,255
During-program				
Summer 1978	40.6	26.4	2,353	1,075
Fall 1978	38.2	17.7	2,652	1,188
Spring 1979	42.2	19.8	2,605	1,154
Summer 1979	45.2	34.5	2,362	1,015
Fall 1979	39.1	24.0	2,107	930
Spring 1980	41.3	26.2	2,000	890
Summer 1980	42.3	32.8	1,685	718
Summary[a]				
Preprogram				
School-year average	8.4	9.8	---	---
Summer average	22.7	26.2	---	---
Total preprogram average	12.1	13.9	---	---
During-program				
School-year average	40.4	22.0	---	---
Summer average	42.7	31.2	---	---
Total during-program average	41.2	25.1	---	---

Note: The sample includes youths who have completed all three waves of the local field survey and are eligible for the program during the period in question. See Chapter 2 for further details. The employment/population ratio is the number of weeks employed during a particular period, divided by the total number of weeks in that period. This provides an estimate of the "steady state" employment/population ratio for the period. Unadjusted pilot and control site averages are reported in this table.

[a] These are averages of the period-specific ratios reported above, weighted by the length of each period.

Table 9-2 Program Effects on Employment/Population Ratios, Separately by Sector

	Sample size	Pilot site ratio	Estimated pilot site ratio in the absence of the program[a]	Program effect[b]	Program effect as a percent of ratio in the absence of the program
A. Private Sector Employment					
School year					
Fall 1978	3,840	16.3	12.6	3.7***	29.4
Spring 1979	3,759	18.5	14.0	4.5***	32.1
Fall 1979	3,037	21.5	18.3	3.2**	17.5
Spring 1980	2,890	22.8	19.2	3.6***	18.8
School-year average[c]	---	19.9	16.1	3.8***	23.6
Summer					
Summer 1978	3,428	16.3	15.4	0.9	5.8
Summer 1979	3,377	21.3	21.4	- 0.1	- 0.5
Summer 1980	2,403	26.1	21.8	4.3***	19.7
Summer average[c]	---	21.2	19.5	1.7	8.7
Total during-program average[c]	---	20.3	17.2	3.1***	18.0
B. Public Sector Employment					
School year					
Fall 1978	3,840	22.0	4.5	17.5***	388.9
Spring 1979	3,759	23.7	5.4	18.3***	338.9
Fall 1979	3,037	17.6	5.3	12.3***	232.1
Spring 1980	2,890	18.5	6.4	12.1***	189.1
School-year average	---	20.5	5.5	15.0***	272.7

Table 9-2 (Continued)

	Sample size	Pilot site ratio	Estimated pilot site ratio in the absence of the program[a]	Program effect[b]	Program effect as a percent of ratio in the absence of the program
Summer					
Summer 1978	3,428	24.3	10.9	13.4***	122.9
Summer 1979	3,377	23.9	13.2	10.7***	81.1
Summer 1980	2,403	16.2	10.3	5.9***	57.3
Summer average	---	21.5	11.5	10.0***	87.0
Total during-program average	---	20.8	7.5	13.3***	177.3

[a] This is a regression-adjusted, comparison site mean, fit at pilot site average personal characteristics and preprogram employment. Means of the right-hand-side variables and regression coefficient estimates are reported in Appendix B.

[b] This is the difference between columns 2 and 3, with statistical significance computed from the t-statistic on the pilot site dummy variable regression coefficient.

[c] These are averages of the period-specific ratios reported above, weighted by the length of each period.

** = significant at the 5 percent level.
*** = significant at the 1 percent level.

: Impacts From YIEPP, Farkas et al., 1982
Tables 5-2 and 5-6

at .6 rather than .67. While these results reveal somewhat smaller net employment effects than do the Supported Work or VICI evaluations, the YIEPP net impacts constitute a more reliable case for the view that most jobs provided youth employment programs add to the total youth employment rather than substituting one kind of job for another. At this point, we cannot determine how much is due to the differences in approach and how much to YIEPP's largely in-school population.

Overall, the treatment-control comparisons indicate that well over half and perhaps as many as 80 per cent of jobs provided in job creation projects increase employment of participants above what it would have been in the absence of the program. These net job creation figures are high but are well below estimates based on the costs of creating a new job for disadvantaged youth using alternative ways of stimulating aggregate demand. What accounts for the differences in outcomes generated by the two approaches? What is the policy significance of each estimate?

The treatment-control differences in employment levels during the program provide estimates of the costs of using job creation projects to raise employment of disadvantaged youth by 1. On the basis of the studies reviewed here, the absolute cost of a net new job for a disadvantaged youth lies between 1.2 and 1.5 times the gross budget costs per program participant. That is, if outlays for each job funded through a job creation program were $10,000 per year, an additional cost of $2000-$5000 would be required to assure that the amount spent created a new position for low income youth. While the evidence indicates that the costs of targeted job creation exceed the budget costs per job, job creation programs still require much smaller increases in aggregate demand to add jobs for the disadvantaged than do general increases in spending or cuts in taxes. It would take general demand increases of $240,000 to provide the same stimulus to the employment of disadvantaged youth as a $12,000 outlay on youth job creation programs.

One cannot, of course, judge the alternatives merely on the basis of cost-effectiveness in raising the employment of disadvantaged youth. During times of high unemployment, general demand measures produce overall gains in employment and output that may take priority over the benefits accruing to selective policies. However, when the economy is operating near capacity, youth job creation projects have the capacity to produce targeted employment gains that have much less effect on the budget, aggregate demand, and inflationary pressure.

4.3 Value of Output Produced by Youth Job Creation Programs

An attractive feature of job creation programs is their capacity to produce output as they help low income youth in the job market. In the extreme, if they could yield as much in public output as their cost, then job creation programs would be a costless way to provide jobs, earnings, and work experience to disadvantaged youth. Moreover, programs with limited success in improving youth would still be desirable for their in-program effects alone.

In spite of its conceptual importance, the value of output issue is usually a secondary one in analyses of program success. One reason may be the difficulty of translating increases in public output achieved through youth job creation programs into observable gains for taxpayers, either as reduced taxes or an improved level of services. It is even difficult to place a value that represents how much the public is willing to pay for the output or how much public agencies could save in their ongoing budgets. Nevertheless, several studies have tried to estimate output values by determining 1) the alternative cost of producing what the youth produce; and 2) the value placed by public officials and others on the output.

In their evaluation of Supported Work, Kemper, Long, and Thorton reported estimates of the value of output produced in the program. Their measures take account of both the alternative cost of production and the market value of output. Since Supported Work often produced concrete products, some sold in the market, the value of output measures can be especially accurate from this program. However, because youth worked alongside other target groups, one could not distinguish between the contribution to production by youth and by other workers.

The evaluators present estimates of how output values vary across areas as well as averages of overall output values. For participants as a whole, the value of output estimate was about 45 per cent of total costs and 96 per cent of the earnings of participants. Perhaps equally important, the range of values appeared enormous. Judged on the basis of supply prices by area, values from $2.37 per hour to $6.64 per hour of labor. The gap remained wide even when taking account of differences in project cost per hour. The supply price minus project cost ran from -$.57 in Philidelphia and 00 in San Francisco to $3.03 in Newark.

VICI evaluators also made a careful effort to estimate the value of output. They relied entirely on the alternative supply price methodology. On average, the value of output was 42 per cent of total costs and 114 per cent of youth earnings. These figures are remarkably similar to those reported for Supported work. Another similarity was the wide range across areas. The work value per dollar of program expenditure went from $.05 in the South Bronx and $.21 in Atlanta to $.80 in Newark and $.85 in Broward County, Florida.

Zimmerman's study of the value of output produced in a large number of youth projects distinguished between supply prices and output prices. His overall measures of alternative supply values averaged outcomes across projects within YETP, YCCIP, YACC, CETA Title I, and the Summer Youth Employment Program. The average supply price per participant hour was 90 per cent of payments to youth and over 50 per cent of program costs per hour. Again, the figures ranged widely, even between averages within program types, from $1.34 per hour in YCCIP to $3.51 in YACC.

Zimmerman goes beyond the supply criteria to assess whether the output represented output substitution for ongoing public activities or output expansion and the likely value of each group. Although he does not summarize these highly uncertain measures, he does report that 26 per cent of projects would have operated at the same scale in the absence of the youth program, that 42 per cent would have operated at a lower or uncertain scale, and that only 31 per cent represented work all of which would not have been performed in the absence of the program.

Although YIEPP evaluators did not quantify value of output produced by YIEPP participants, one analysis examined how employers of YIEPP participants perceived their contribution to the agency or firm. Ball and Gerould reported that over 60 per cent of work sponsors found the youth's work a) was valuable; b) increased the agency's or firm's effectiveness, and c) was congruent with the agency's or firm's mission. Another 20 percent perceived that the YIEPP job met at least two of these three criteria.

To summarize, it appears clear that youth participants do engage in real productive activities. What they produce would cost an alternative supplier an amount equal to about half of program expenditures. This implies that where youth programs engage in appropriate activities, their net cost after accounting for their production is just over half their gross cost. The studies also documented a wide range of values of output across program types and geographic areas. This suggests that improving the technology and effectiveness of the low value operators would raise output values (and lower net costs) enormously.

5.0 Evidence on Employment Effects of Subsidies to Stimulate Private Firms to Hire Low Income Youth

Several demonstrations and a national tax credit program have attempted to stimulate private firms to increase the number of low income youth they hire. This section reports on the evidence available concerning the net job impact of the subsidies. We first take up the experience under the Targeted Jobs Tax Credit and then turn to the results of two direct subsidy demonstration projects.

5-1 The Targeted Jobs Tax Credit

The Targeted Jobs Tax Credit (TJTC), though not part of YEDPA, represented by far the largest effort to use private sector subsidies to increase jobs for low income youth. Under TJTC, firms could claim tax credits for up to 50 per cent of first year wages (up to $6000) and 25 per cent of second year wages (up to $6000) of a newly hired worker from 1 of 7 target groups. Two of the 7 groups were entirely youth, including low income 18 to 24 year-olds and 16-19 year-olds in cooperative education programs. But, some youth were also eligible by virtue of being AFDC recipients, general assistance recipients, or low income Vietnam-era veterans.

The nature of the response by employers to TJTC is currently unknown because of an absence of quantitative studies of its employment effects.

Data are available on the number, area, composition, and timing of hires associated with the TJTC. However, the only information on the impact of TJTC on employer hiring behavior comes from anecdotes and some preliminary employer surveys. There is still no data on the job duration of nor on the average wages earned by workers subsidized through TJTC.

Before reviewing the data that are available on TJTC, it is worth examining the implementation and administration of the program. From the beginning, a variety of problems prevented TJTC from operating smoothly. Studies prepared by the Department of Labor and by Randall Ripley documented difficulties such as: confusion at the local level over which agency had primary responsibility for TJTC, a lack of money for early administration of TJTC, timing the TJTC to begin while CETA prime sponsors were primarily concerned with implementing the 1978 CETA amendments, inadequate publicity at the local level, IRS delays in issuing regulations, fears by CETA sponsors of liability for credits paid on behalf of ineligible workers, and a belief by local agency personnel that the TJTC provides a windfall to employers and would do little to benefit disadvantaged workers.

The design of the delivery system distinguished between certifying workers and firms. Workers could receive vouchers once a specific agency determined that they qualified for TJTC. Planners envisaged that workers receiving vouchers could enhance their chances of finding a job by displaying vouchers and showing prospective employers that TJTC would pay part of their salary. At the time a firm decided to hire an eligible worker, the firm could complete the voucher and send it to the local State Employment Service Agency (SESA). The SESA would then forward certification to the employer which would verify the firm's right to claim the TJTC on behalf of the particular worker.

Actual operations diverged from these models in several ways. A large number, perhaps a majority, of certifications issued to employers occurred when firms asked SESA's to provide certifications on behalf of eligible workers who had already been hired. While these certifications could only cover workers hired after the passage of the TJTC, many SESA's discouraged these "retroactive certifications", presumably because they appeared to provide a windfall to employers without adding jobs for TJTC groups. In the case of cooperative education programs, employers worked with participating school systems instead of SESA's and received their certification at the same time that young workers received vouchers.

Few SESA's or CETA prime sponsors actively promoted the TJTC with employers. According to Ripley's study, less than a third marketed TJTC aggressively. One result was the extremely low initial use of TJTC by employers. Over the first 3 quarters after passage of TJTC, employers received certifications for only 8,000 jobs in the entire nation.

The utilization of TJTC rose steadily and sharply over time. During the fourth quarter of 1980 and the first quarter of 1981, certifications for over 100,000 jobs were issued per quarter. The target group accounting for the largest number of certifications was students in cooperative education programs. Employers also claimed TJTC on behalf of large numbers of low income 18-24 year-olds, as certifications reached 42,000 during 1981:I.

The quarterly pace reached nearly 45,000 certifications for the hiring of disadvantaged youth for the 1981 fiscal year. From this peak, the certification level did decline moderately to 35,000 per quarter during FY 1982. Given the sharp worsening in the economy and the policy change that eliminated retroactive certifications, the decline in FY 1982 was less than might have been expected. In fact, the decline in the rate of certifications was no larger than the reduction in hires of eligible disadvantaged youth. This suggests either that the role of retroactive certifications was not particularly important or that the continued increased knowledge of and interest in TJTC by employers offset the change that disqualified hires based on retroactive certifications. The number of low income youth in TJTC-subsidized jobs, while large relative to other youth programs, was only a small percentage of normal new hires of disadvantaged youth. Estimates indicate that over 2 million disadvantaged 18-24 year-olds are hired by firms who could benefit from TJTC. TJTC subsidized no more than 7 per cent of the hiring that normally takes place.

The existence of employers who apparently qualified but did not claim the tax credits does not tell much about the net impact of the subsidies on jobs for disadvantaged youth. One piece of evidence about the TJTC's net impact comes from a survey of employers conducted by the General Accounting Office in January 1980. Although the survey omitted very small firms accounting for 17 per cent of total employment, the sample was representative of all other firms, including most with under 50 employees. The survey yields information on the knowledge, use, and effect of the TJTC. Dave O'Neill reported the findings on the basis of the 720 survey responses. The data indicate that:

1) most firms (over 60 per cent) knew about the TJTC before receiving the questionairre;

2) of the firms who knew of the credit, 15 per cent had already used it and another 23 percent planned to use the credit;

3) utilization of the credit was highest for firms with the lowest wage rates;

4) knowledge of the credit rose with the size of the firm; and

5) of employers using the credit, 26 per cent said the credit stimulated an increase in total employment and 41 per cent they increased target group employment at the expense of other workers.

These results are only partly consistent with evidence from a survey of 4,832 employers undertaken late in December 1979 as part of the research on Employment Opportunities Pilot Projects. Reporting on this survey, Bishop et.al. find that less than 20 per cent of employers were familiar with TJTC and only 13 per cent of these employers had actually hired someone through TJTC. These figures are well below the comparable numbers drawn from the GAO survey. On the other hand, both the EOPP and the GAO data indicated that much of the overall hiring through TJTC did lead to increases in employment, at least for the target groups. Employers in the EOPP survey reported that increases in employment were about 20 per cent of total workers subsidized. Econometric estimates based on the EOPP survey indicated even higher net effects from TJTC, but these were not precise in terms of statistical confidence levels. More reliable estimates of TJTC's net impact could come from the second wave of interviews conducted in the Spring of 1982 with employers from the original EOPP survey

The estimates based on existing employer responses suggest that a sizable share of the TJTC-subsidized jobs did represent new positions for disadvantaged workers. Unfortunately, it is difficult to know whether employer statements about net effects corresponded with employer behavior. Some respondents may have said they added target group workers because they felt only this would entitle them to the credit; others may not have known the precise way the credit affected their hiring patterns. Finally, these survey responses seem inconsistent with Ripley's report of the use of TJTC primarily for "retroactive certifications".

Without a sound estimate of the credit's net impact, one cannot come up with reliable figures for the budget cost per new job created for a disadvantaged youth. On the other hand, one can produce alternative cost figures (albeit ones subject to error) using the net impact estimates derived from the employer survey.

The first step is to recognize that the distinction between the percent of employers on whom a net impact occur and the percent of jobs which are new positions for disadvantaged youth. The distinction matters since firms generally use the credit for more than one worker. According to GAO survey, firms using the credit averaged about 4 TJTC-subsidized workers. A firm may accurately report having been influenced to hire more target group workers when 3 of the 4 subsidized workers would have been hired in the absence of the credit.

The next step is to adjust employer responses for this and other factors. If TJTC's impact affected half the workers in firms influenced by the TJTC and if employer answers also overstated TJTC's net impact on firms, then perhaps only 20 percent of subsidized jobs that represent new positions for the target group.

The final step is to translate the net effect estimates into budget costs per new job. Since the TJTC subsidized half of first year wages and since, without TJTC, firms would have claimed wage deductions worth about 40 per cent of the credit, the net cost of each TJTC full year job (paying $6000) was about $1800. Assuming that 20 per cent of the jobs subsidized actually added positions for low income youth, the cost per net new job would have equalled $9000.

5-2 The YEDPA Wage Subsidy Demonstrations

The two YEDPA demonstrations aimed directly at determining the employer response to subsidies for hiring low income youth were: a) the Wage Variation Experiment under YIEPP, and b) the Wilkes Barre Voucher Demonstration Project.

The YIEPP Wage Subsidy Variation Experiment was a part of its overall private sector component. Unlike other job creation programs, YIEPP could use private, for-profit employers as job sponsors and provide them with 100 per cent subsidies. YIEPP operators saw private firms simply as a source of placements comparable to public and nonprofit agencies. While the percent of jobs created within the private sector varied widely across sites (from about 8 per cent in Seattle to 40 per cent in Detroit), there was initially no attempt to determine the rate at which firms responded to subsidies.

In early 1980, officials from DOL and from the Manpower Development Research Corporation designed an experiment to estimate how varying the subsidy rate would affect the share of firms willing to hire low income youth. The project took place in Baltimore and Detroit during mid 1980. In Detroit, firms were assigned randomly to eligibility for either a 100 per cent or a 75 per cent subsidy rate. In Baltimore, firms qualified for either a 50 or 100 per cent subsidy rate depending on whether their location was west or east of a major street in the entitlement area.

Job developers approached firms in the sample to explain the subsidies and to secure jobs for YIEPP participants. Firms that had already hired youth under YIEPP or that were unlikely or inappropriate (bars or liquor stores) employers of youth were excluded from the experiment. Initial job development took place in early 1980. Firms could take advantage of the subsidies only through August 1980.

The participation rates below provide a summary of the results:

Per cent of Firms Contacted Who Agreed
to Participate, by City and Subsidy Rate

	100 Per Cent Subsidy	75 Per Cent Subsidy	50 Per Cent Subsidy
Baltimore	20.1		7.5
Detroit	15.6	7.7	

In a multivariate analysis isolating the effect of subsidy rate differences, MDRC found that the results that resembled the unadjusted participation rates. Lowering the subsidy rate from 100 to 75 per cent reduced participation from 18 to 10 per cent of firms; a further decline in the subsidy rate from 75 to 50 per cent decreased participation from 10 to 5 per cent.

These results show that firms respond to the size of the subsidy. However, since the experiment did not follow firms receiving no subsidy, no estimate is available on the impact of a 50 per cent subsidy (versus no subsidy).

It is unclear how to interpret these results. On the one hand, the vast majority of firms were unwilling to hire disadvantaged youth, even with very high subsidy rates. On the other hand, the per cent willing to participate was not so small, considering that the YIEPP sample excluded from the beginning the firms that had already participated; employers had to accept only YIEPP referrals and to tailor the jobs to the school day or summer schedule; and firms had to make hires within a few months after learning of the program.

No estimates of costs per job follow from these data, since no test determined the per cent of firms willing to hire youth without a subsidy. However, if one were willing to assume a linear relationship between subsidy rates and participation, then one can devise estimates based on the responses to different subsidy rates.

Consider what the net costs per new job would be going from a 50 to a 100 per cent subsidy rate, assuming that each firm hires the same number of workers under either rate. At a 50 per cent rate, the subsidy generates 7 jobs, costing 3.5 salaries. Firms provide 20 jobs at a 100 per cent rate. In this case, since the increase in jobs (13) is almost as high as the increase in salaries (16.5), the cost per job is only slightly higher than the salary (the actual estimate is 1.26 times the salary.

Although the net costs appear low when the subsidy rate goes from 50 to 100 per cent, this does not tell us what are the total costs of generating a new job for disadvantaged youth. However, it is possible to bound the costs per job in the Wage Variation Experiment if we accept the reasonable notion that the higher number of jobs at the higher subsidy rate represents a genuine employer response to the subsidy. Apart from overhead, the total costs of the 100 per cent subsidy were 20 youth salaries. Even if none of the jobs generated at the 50 per cent subsidy rate represented new jobs, the overall increase in jobs at the 100 per cent subsidy rate would have been 13. Thus, the costs per new job would be 20/13, or 1.55 times the youth's salary.

In contrast to these relatively positive results, the Wilkes Barre Job Search Voucher Demonstration showed no employment effect whatever from subsidies to employers. The design of this demonstration was similar to the Wage Variation Experiment in that firms were randomly assigned to treatment and control categories and the primary treatment involved attempts by job developers to use subsidies to place disadvantaged youth. However, unlike the YIEPP experiment, firms did not have to employ the specific disadvantaged youth from the job developer's agency in order to qualify for the subsidy. Other differences were the presence of a control group of firms not offerred any subsidies and a partial treatment group of firms exposed to the job counselor's marketing of the TJTC but not given access to a direct payment subsidy.

The results were entirely negative. Of 125 firms assigned to full treatment and 125 firms assigned to partial treatment, only a handful took either the subsidy or utilized the TJTC. There were 3 firms of 125 that took advantage of the direct payment subsidy. While firms in all 3 groups could utilize the TJTC, only 1 of each claimed the credit to hire youth.

These negligible effects cast doubt on the effectiveness of the subsidy approach. However, the absence of any impact was confined to only one site, a site with high unemployment. Further, the results do not indicate anything about net subsidy costs per new job. While the subsidy did not generate employment, it did not require any government outlays.

6.0 Conclusions

The wide diversity in the net employment outcomes from the many public and private direct job creation initiatives should not be too surprising. The design of the demonstrations have varied by place, time in the business cycle, target group, intensity of service, program administrator, and type of job. Nevertheless, we can make some basic generalizations about recent experience with youth job creation efforts. The primary ones are:

1) job creation initiatives do increase the number of jobs available to disadvantaged youth at a much higher rate (per dollar) than do general budget outlays or increases in aggregate demand;

2) the budget costs required to add one job for a disadvantaged youth exceed the youth's salary by a factor of at least 1.5 and at most 2.5-3.0;

3) it is not clear whether private or public job creation adds more jobs for disadvantaged youth per budget dollar; and

4) while private initiatives require less overhead and provide only partial subsidies, they also pay for more youth who would have been hired in the absence of the subsidy and often do not elicit the expected levels of employer participation.

The output generated by job creation programs varied widely within and possibly between sectors. Analyses of outputs from VICI, Supported Work and conventional CETA programs indicated that output values ranged from zero to the level of program wages. Since the studies did not draw on a representative sample of youth job creation sites, it is not possible to determine the overall average value. However, the available evidence indicates that average output values amount to about half of average program outlays.

In the private sector, it is reasonable to assume that employers would not hire a youth whose value was less than the employer's costs of employing the youth. With private sector subsidies often amounting to about half of the wage, the youth's output in private job creation programs will rarely fall below half the wage. In many cases, subsidized youth will surpass this minimum. Assuming that their added value amounts to three-fourths of the wage and given that government subsidies pay half the wage, output values would again amount to about half of government outlays.

To summarize, the job creation approach is able to create more new jobs for youth than other government outlays. However, the value of the output amounts to only half of expenditures and, as Chapter 4 indicated, the work experience gained in such programs result in little post-program earnings gains. Thus, policymakers weighing the job creation approach must decide whether the lost output of half of government outlays is worth the benefits of increasing the current employment levels of disadvantaged youth.

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CHAPTER 10 - EFFORTS TO OVERCOME YOUTH UNEMPLOYMENT THROUGH PROMOTION OF INSTITUTIONAL CHANGE

Introduction

The previous chapters of this report have examined direct strategies to overcome youth unemployment problems. These strategies have involved the identification of deficits in the preparation of youth for the labor force, and development of programs to correct or overcome these problems. However, the experience with previous youth employment programs has made it clear that there are often institutional barriers that stand in the way of both implementing meaningful programs and maintaining the employment of youth even after they have overcome employment-related barriers. These insights led to a number of indirect strategies to promote youth employment through efforts to bring about changes in community institutions. Such institutions may have hampered either the development of effective youth programming or efforts to find productive employment for the graduates of youth employment programs.

The barriers that have been addressed in YEDPA funded efforts to promote institutional change include:

- Negative attitudes about youth on the part of many employers;
- Lack of coordination between the schools which have stressed basic skills and the employment and training system that has stressed vocational skills;
- Lack of communication between schools and employment and training agencies, on the one hand, and the business community, on the other;
- The inflexibility of CETA's categorical programs to meet the widely varying needs of youth.
- Lack of involvement of youth in the design and/or implementation of programs.

Section 1.0 covers employer attitudes and efforts to learn more about the subject. The goal of these efforts was to provide information to youth program practitioners to overcome employers' resistance to hiring poor youth.

Section 2.0 addresses the efforts undertaken under YEDPA to promote closer working relationships between school and agencies that use Department of Labor money to promote employability of youth The section focuses on programs that sought to remediate basic skills problems.

Section 3.0 summarizes the results of a number of YEDPA funded activities that have been designed to increase the involvement of the business community in planning and operating employment and training programs for youth.

Section 4.0 summarizes the lessons learned from YEDPA funded efforts to overcome the lack of flexibility in the conventional employment and training systems.

Section 5.0 addresses the lessons learned from efforts to include youth in program planning and administration.

Finally, in Section 6.0, we present a review of the general achievements of YEDPA in promoting institutional change, and the implications for the Job Training Partnership Act (JTPA).

As will become obvious to readers of this chapter, efforts to extract lessons from the YEDPA efforts to promote institutional change are reminiscent of the proverbial story about the blind men seeking to describe an elephant. Given the great diversity in YEDPA funded activities and the contexts in which they were implemented, it is not surprising that much of the YEDPA story stresses lessons that seem to say "yes it's true, YEDPA did stimulate genuine change" while other authors seem to emphasize lessons such as "it's not as easy as it seems."

In fact, these points of view are not opposites, and those seeking to learn from the past need to adopt and understand both positions: the realization that change is possible, and the realization that it is unrealistic to expect it to come quickly or easily except in unusually favorable circumstances. The latter lesson is particularly important for policymakers in the employment/ training field. The training field has been marked by many abrupt policy changes from MDTA to CETA and now to JTPA, sometimes with considerable upheaval at the local level. Promoting institutional change is a laudable goal, but it must be balanced with a healthy respect for the complexities of the change process. This chapter describes the process of change stimulated by YEDPA.

1.0 Employer Attitudes

Community involvement with youth employment usually reflects the attitudes of local employers. Negative employer attitudes about the productivity and reliability of youth have long been considered to be major barriers to effective local programming. YEDPA funded activities have addressed this issue in several ways:

- Helping to document these attitudes;
- Helping to overcome negative attitudes that are not based in fact; and
- Helping to provide services to youth that help to overcome barriers to employment that are correctly perceived by employers.

A number of recently completed studies have involved formal and informal surveys of employers designed to determine precisely what employers tend to believe and not to believe.

Many studies under YEDPA, including one conducted by David Gottlieb of the University of Houston and Eleanor Driscoll of the Educational Testing Service,* have documented the attitudes of a wide range of employers of youth including those youth served by YEDPA and those that are not. For example, a 1981 survey of about 700 employers documented that large numbers of employers tend to believe the following things:

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* David Gottlieb and Eleanor Driscoll, Entering the World of Work: Young Americans and Their Employers, ETS Final Report #4, Technical Report #26, November 1982 to U.S. Department of Labor.

- Younger workers have worse attendance records than older workers;
- Younger workers usually arrive at work later than older workers;
- Younger workers do lesser quality work than older workers;
- Younger workers are no faster or productive than their older counterparts;
- Younger workers keep their jobs for shorter periods of time than older workers.

On the other hand, a number of attitudes that are favorable to youth also were evident:

- Many employers believe that younger workers show as much or more initiative as older workers;
- Many employers believe that older workers are less adaptable.

Also on the positive side, more than four out of every five respondents indicated that they found the youth who had participated in YEDPA programs to be exceptionally or sufficiently well prepared to work at their firms or agencies. (The employers hired youth from the Youth Career Development demonstration described in other chapters.)

Perhaps the most striking finding of recent research on employer attitudes towards youth is the gap between employer perceptions of the adequacy with which the schools teach basic skills and the perceptions of school officials. According to a 1982 study by the Center for Public

Resources:*

> The majority of companies surveyed identified basic skill deficiency problems in the majority of job categories listed. Over 75% of the school systems, however, assessed the majority of graduates entering the work force as "adequately prepared" for employment. (p.ii)

A similar discrepancy appeared in a survey of 283 participants and YEDPA/CETA youth practitioners and experts conducted by Bernard Lefkowitz for the Edna McConnell Clark Foundation in 1982:**

> A division of opinion exists over what constitutes job readiness for youth over the age of 16. Line supervisors, personnel officers and participants tended to emphasize the importance of marketable skills and technological literacy in searching for a job and holding one beyond the tryout period.
>
> However, company executives and program operators stressed basic education in reading and computation and attitude change with regard to behavior in the workplace. (p. iv)

The CPR survey of firms concentrated on those with over $100 million in sales and 500 or more employees, revealed other gaps in perceptions between the corporate world and the realm of educators:

> A considerable miscommunication exists between business and school systems regarding the quality of academic skills required on the job and the seriousness of deficiencies which exist. (p. 49)

Findings as these provide a clear justification for promotion of efforts to improve communication between public schools and for-profit firms. Several strategies have been employed to overcome misperceptions about youth, including:

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* Basic Skills in the U.S. Workforce, Center for Public Resources, New York, NY, 1982. It should be noted that these findings are based upon an exremely small response rate, just under 200 responses from 2100 questionnaires, but there is no reason to believe that the results are different from what one might have expected from a larger sample.

**Source: Jobs for Youth: What we Have Learned, Edna McConnell, Clark Foundation, 1982 (1982).

- o Collection and dissemination of data that counters misperceptions;
- o Involvement of employers in planning youth employment programs and serving as work sites.

The latter strategy is discussed elsewhere in this chapter and in several other chapters. Examples of the former include reports based on the National Longitudinal Survey (NLS) such as 1980 report by the Center for Human Resource Research at Ohio State University. These reports reveal that:

- o More than half of 16-21 year olds who are out of school and the labor force say that they would like a job;
- o Just under half say that they would accept a job as a dishwasher, general factory worker, fast-food worker or similar job at or near the minimum wage.

Such research based findings were presented to employers throughout the YEDPA years in an attempt to counter myths with facts.

Providing reliable information to employers is one strategy but there is no substitute for direct experience. The Youth Incentive Entitlement Pilot Project (YIEPP) provided direct evidence that participation in YEDPA programs can change employer attitudes. Special studies conducted as part of the YIEPP evaluation revealed that employers' interest in sponsoring youths became more committed once the youths were initially employed. Over eighty percent of the private employers interviewed in one study reported that the youths' work habits, attitudes, and willingness to work were average or better than other workers. Three-fourths found that the youth's performance improved over time.*

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* The Participation of Private Businesses as Work Sponsors in the Youth Entitlement Demonstration by Joseph Ball, et al., MDRC, March 1981.

Perhaps the best indication of the impact of YIEPP on employer attitudes is the employer behavior subsequent to sponsoring the first participant. Eighty-seven percent of a group of employers who sponsored YIEPP participants in September 1979 still had program participants eight months later or were willing and interested to sponsor more. Other similar findings included:

- Over half of the employers interviewed requested replacements when youths graduated or otherwise left the program;
- Only seventeen percent of the involved private firms chose to cease participation within a one year sponsorship.

Finally, roughly one-fifth of the participating firms chose to hire YIEPP youth when they left the program or graduated from school.

2.0 School and Training Organizations: Working Together to Improve the Delivery of Youth Services

From the outset, YEDPA funded programs adopted two different strategies to help overcome the problems caused by school systems that have been unresponsive to the needs of disadvantaged youth: (a) promoting change within school systems, and (b) promoting the creation (or expansion) of alternative school networks. The lessons that have been learned relative to each of these two strategies are summarized below.

Although many YEDPA services were premised upon efforts to promote closer ties with local education agencies, two programs stand out in the efforts to generate close working relationships:

- The categorical, formula-funded Youth Education and Training Program (YETP) provided a specific funding mechanism to promote collaboration--a set-aside of 22 percent of program funds that had to be spent on in-school youth pursuant to written agreements with local education agencies;
- The Youth Incentive Entitlement Pilot Projects (YIEPP) whose basic program design (i.e., linking a guaranteed job to continued satisfactory attendance and progress at school) required closer working relationships.

The volumes of descriptive and evaluative literature that have been written about YETP and YIEPP in the past few years leave one overriding impression of the effectiveness of these programs in promoting meaningful collaboration between the schools and the employment and training system: they were helpful in initiating (or reinforcing) efforts to collaborate, but neither of them was sufficient to guarantee the kind of ongoing, deep coordination envisaged by those who helped draft the YEDPA legislation.

Our review of the YEDPA literature reveals the following documented achievements of the 22 percent set-aside:

- Promotion of formal agreements which almost invariably involved compliance with the letter of the law, and often went far beyond it;
- Some instances of modifications in academic programs that were responsive to the needs of disadvantaged youth.

The first lesson from this YETP experience is so obvious that it is often overlooked. As was documented in the 1982 GAO report,* Insights into CETA's

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* Source: Insights Into CETA's In-Schol Youth Programs, GAO, Washington, DC, September 28, 1982.

See also: Banker, N. (1980) Current State of Knowledge Regarding the Awarding of Academic Credit for Work Experience. Washington, DC: Youthwork.

In-School Youth Programs, linking employment and training monies to the requirement for formal agreements between Prime Sponsors and local education agencies almost invariably resulted in the creation (or enhancement) of such agreements.

All but one of the forty-nine Prime Sponsors surveyed by the GAO for this study were able to document the existence of such agreements--although in roughly one-third of the cases, the agreements represented formalization of cooperative arrangements that had already been in existence. This statistic can be compared with the 37 percent of Prime Sponsors surveyed that reported written agreements with local education agencies for their Title IIBC programs (where agreements were not required) and the 55 percent of Prime Sponsors that had in-school programs under Title II BC that had formalized agreements such as those required in YETP.*

The second lesson is that many Prime Sponsors went beyond compliance with the stipulation and involved a greater portion of their YETP (and 6 percent vocational education set-aside) funds for coordinated programming with the public schools. The above cited GAO report and a 1981 review of the YEDPA literature conducted by Syracuse Research Corporation provide a range of evidence to support this conclusion:

o Well over half of the thirty-seven Prime Sponsors in a 1981 sample studied by the National Council for Employment Policy reported their agreements with local educational agencies involved more that 22 percent of the YETP funds;

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* The GAO notes, however, that about 70% of their Prime Sponsor respondents did not favor future efforts to mandate monetary set-asides for agreements with local education agencies in future employment and training legislation. This position contradicts the conclusion in a Syracuse Research Coporation review of the YEDPA literature which notes that "there is generally strong support for continuing the set-aside." Syracuse Research Corporation, CETA/ Education Collaboration: A Synthesis Report, Syracuse Research Corporation, October, 1981.

- An average of 39 percent of YETP allocations were being spent under agreements with local education agencies;
- The majority of Prime Sponsors earmark Title II funding to supplement mandated YETP and 6 percent vocational education set-aside funds.
- A majority of Prime Sponsors earmark additional funding (often from Title II of CETA) to supplement the mandated YETP and 6 percent vocational education monies for coordinated programming with local education agencies.

What difference have these written agreements and earmarked funds make? Studies of YETP by Wurzburg (1980)* and others have uncovered a number of cases in which positive results could be traced directly to the availability of monies and the existence of the agreements.

The third lesson of the YETP set-aside is that it has produced tangible results in overcoming much of the inertia that has characterized efforts to bring about change in school systems. Thus, for example, despite an often expressed reluctance of school administrators to grant academic credit for work experience, a study conducted by TEAM Associates and Brandeis University indicates that such programs were in effect in nearly 70 percent of all Prime Sponsorships in 1981.**

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* Wurzburg, Gregory. Improving the Job Opportunities for Youth: A Review of Prime Sponsor Experience in Implementating the Youth Employment and Demonstration Projects Act. Washington, DC: National Council on Employment Policy, August 1978.

See also: Overview to the Local Focus on Youth. Washington, DC: National Council on Employment Policy, February 1979.

**Making Youth Programs Work Vol. 1, "Classrooms and Workplaces," by Brandeis University and TEAM Associates, 1981, Washington, DC.

As is often the case, the experience with the 22 percent YETP set-aside has revealed the limitations of this approach as well as its potential. In particular, many people had hoped that the availability of the set-aside funding would promote a major rethinking of the educational offerings of many school systems. However, the lessons of the YETP set-aside include the fact that this mechanism was not sufficient to promote more fundamental change in local education agencies. In particular, the evidence of the past few years suggests that YETP did not generally promote development of new basic education programs that were targeted on the special needs of the disadvantaged youth.

The 1981 Syracuse Research Corporation review of the YEDPA literature contained this provocative conclusion:

> The effects of coordination efforts appear to be the greatest at the government levels furthest detached from service delivery...
>
> The most perceptive analyses of the results of CETA/education coordination efforts seem to agree: at the service delivery level, only little progress was made. The many mandated set-asides, sign-offs, and interlocking council members had been implemented, as had been a series of demonstration projects stressing collaboration. But their effects have not been strongly felt "at the point where services pass from the provider to the recipient.

The availability of financial incentives helped then to illuminate the non-financial barriers to closer coordination. These include:

- o Philosophical differences concerning overall objectives--school systems promote long-term educational progress and the development of employability skills, while employment and training programs focus more narrowly on "employability";
- o Targeting--schools are unrestrictive in their enrollment processes while many employment and training programs focus on and specialize in the disadvantaged;
- o Administrative and reporting structures--local education agencies

answer to local education boards; CETA officials answer to local elected officials (often at different levels of government) within federally specified guidelines;

- Differences in administrative regulations and planning procedures;
- Lack of information about the structure, and functioning, and goals of the other institutions.

Lastly, it has become clear that while 22 percent of YETP funds represented a substantial portion of the YEDPA funding in the employment and training system, its impact was blunted by the fact that it represented a very small portion of the budget of the typical local education agency.

As is readily apparent from this listing, there is some potential for JTPA programs to help overcome some of these barriers in the future, but the fundamental nature of others suggests that the process of improving coordination between schools and employment and training systems will have to be a slow one, fraught with difficulties and failures as well as successes.

A 1983 review of the YEDPA literature conducted by John Walsh* summarized the barriers to coordination between schools and CETA and the prospects for overcoming them in the following way:

> Federal attempts to achieve improved inter-program cooperation and coordination have been only partly successful because of the formidable barriers to inter-program linkages. These barriers are both psychological and administrative...The psychological barrier, which has to do with the missions of the two programs may be the most difficult to overcome...
>
> The administrative barriers to coordination pertain to the vastly different governance systems of the two institutions, systems which cause problems in supervision, funding, accountability, planning, and jurisdictional responsibility. These

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* Toward Productive Linkages Between Employment and Training Programs and the Schools, by John Walsh, Olympus Publishing, Salt Lake City, Utah, 1983.

> barriers are by no means insurmountable, but if they are to be overcome, local program operators must, first, be aware of the barriers, and second, be willing to compromise in the effort to overcome them.

The 1981 Syracuse Research Corporation review of the YEDPA literature confirms this impression of the insulation of many YEDPA funded agencies within school systems. The reviewers conclude:

- o CETA funds for in-school operated youth programs have been treated as an adjunct to existing financial resource programs;
- o While there was an increase in school-sponsored GED programs and new involvement by community organizations in conducting alternative education as a result of YIEPP, other institutional changes in schools were negligible;
- o While many new programs were offered, few major changes or innovations in the school have been forthcoming as a result of collaboration . . . Little or no programmatic changes have occurred in the areas of basic education, enhanced work education interaction, curriculum development or increased transition services;
- o Schools have not to date made an institutional investment in school-operated transition services. Instead these are treated as peripheral and temporary.

Lessons on Collaboration from YIEPP and COP

As noted in earlier chapters, meaningful work experience can complement schooling for disadvantaged youth. The two most important pillars for a stable labor market experience are a sound basic education and a combination of work habits, attitudes and skills. Program guidelines under JTPA acknowledge the importance of helping disadvantaged youths develop both kinds of skills. The

YIEPP demonstration is one example illustrating that these two competencies can be coupled in an effective, coordinated program offering school-conditioned work experience. The major lesson from YIEPP for JTPA is that local schools can be linked to employment and training establishments.

One of the biggest challenges facing YIEPP was to help two totally different, and occasionally competitive, institutions coordinate with each other in a youth employment and training initiative. Program operators first had to insure that participants received adequate education, either through a combination of traditional high schools, alternative schools and GED classes, or by creating new alternative and GED programs. Second, prime sponsors had to establish and enforce a set of school standards youths must abide by. While prime sponsors held the ultimate authority to terminate youths from the program, local schools were required to monitor and report on participants' attendance and grade performance. Schools were also asked to assist with the recruitment of eligible youths.

MDRC's findings suggest the issues that need to be addressed in a program linking work with school.

o Both definition and enforcement of school attendance and performance standards were difficult. Since uniform standards generally do not exist within a given school district, program operators and school officials first had to work together to develop a set of agreed-upon standards. Second, despite the best efforts of most schools, there was a time lag between the schools reporting of standards and the prime sponsors enforcing them. In addition, often both schools and program managers were reluctant to terminate disadvantaged youths from a program offering a much-needed stipend. It was clear, nevertheless, that the program managers' efforts to enforce school standards gave the program credibility among educators;

- While schools were effective recruiters of their own students, they needed help with recruitment efforts targeted to the dropout group. Schools also did little to create educational curricula to meet out-of-school youths' needs;
- Some schools institute academic credit for work experience. MDRC found this practice questionable in the case of participants with serious basic skills deficiencies;
- Schools were cooperative in adjusting class schedules when participants needed flexibility in order to work. Nevertheless, there were practical and financial limits to this practice.*

Another MDRC demonstration, begun under YEDPA, was COP--the Comprehensive Opportunities Project, which operated in San Antonio during the 1981-1982 school year. COP was an ambitious attempt to build a program around individualized service plans for youths combined with bench-marking. In the operations of its model, COP was to coordinate the efforts of a number of agencies, including community groups and the educational system.

COP went even further than YIEPP in establishing a link between schooling and work. Program operators worked directly with local school personnel to develop a curriculum designed to address job and career planning. This joint planning resulted in a life skills course stressing the specific competencies needed for successful labor market entry, which was subsequently certified by the Texas Education Agency. After COP ceased operation, the course was scheduied to be continued as an elective in the school district. As these brief examples suggest, institutional links between local educational agencies and the employment and training community can be developed when there is careful planning and close cooperation. We turn now to the creation of alternative learning environments under YEDPA

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* These lessons are forthcoming in a MDRC synthesis of youth employment research conducted by MDRC 1977-1983. Brandeis University assisted MDRC to produce the forthcoming report.

Development of Alternative Schools

In addition to the described efforts to bring about change in the school system through promoting CETA-school collaboration, YEDPA has also provided insights into the potential and limits of an alternative strategy. The strategy is one which seeks to promote the development of educational alternatives to traditional schooling. The alternatives could be self-contained units in local school systems, or relatively independent efforts that were planned and implemented by community based organizations. The major lessons from YEDPA with respect to alternative schools include:

- o It is possible to design alternatives to conventional schooling that are more attractive to many disadvantaged youth who have given up on the public schools.
- o Such alternative schools can flourish under a wide variety of institutional arrangements including being operated as school--CETA partnerships, and being operated by community-based organizations. The Career Intern Program (CIP) that was initially developed by the Opportunities Industrialization Centers of America (OIC) is perhaps the best known of this latter group.*

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* See, Gibboney Associates The Career Intern Program - Final Report, Blue Bell, PA: (1977).

- Although the evidence on increases in short-run employability have been mixed, many programs such as the Career Intern Program have demonstrated an ability to attract youth that are not reached by mainstream institutions, and to increase the likelihood that they will stay in school.
- This increased likelihood of staying in school has often been translated into achievements in the acquisition of basic skills.

Not surprisingly, our review of a wide range of YEDPA funded activities reveals that alternative school programs were more likely to engage in collaborative ventures with employment and training agencies that other educational institutions. The reasons for this appear to include the fact that the alternative schools have had more of a history of collaboration with other agencies, the fact that they tend to be more attuned to the special needs of disadvantaged youth, and the greater flexibility that these schools sometimes have because of their independence from local education agencies.

The Career Intern Program (CIP) is perhaps the single most studied example of a YEDPA funded alternative education. According to the original research on the first program by Gibboney Associates in 1977, the original CIP developed in Philadelphia was "an experiment in career education" that worked.

More detailed analyses of the original site and the four sites at which it was replicated under YEDPA yield more positive and some less than positive lessons.* In the former category, a consensus appears to have emerged that the projects were successfully implemented and were replicable.

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* RMC Corporation (1979) Study of the Career Intern Programs, Tasks A, B, C, D submitted to NIE, Mountain View, CA.

On the other hand, it was also learned that:

- o It often takes as much as a year before and during implementation to fully develop the necessary linkages.
- o It often takes a year of operation, at least, to stabilize performance.

In brief, the conclusions that can be reached from the efforts to replicate CIP are similar to those that can be drawn from the implementation of many of the innovative employment and training projects: the process of implementing the program was a good deal more complicated than had been envisioned. In two of the four replicated CIP sites, for example, opposition to the project led to delays of more than half a year between project start-up and signature of agreements with LEAs.

The YIEPP demonstration also shows that disadvantaged youth can succeed in alternative schooling and out-of-school education programs. MDRC's experience with YIEPP and a later project, Project Redirection,* has shown that dropouts usually prefer to return to an alternative school or a GED program rather than the school they had previously attended. In the YIEPP demonstration, some 900 students were enrolled in alternative schools and almost 5,000 in GED classes. Significantly, almost 80 percent of YIEPP dropouts chose GED programs over regular schools, suggesting that these types of options should be a necessary part of any program aimed at dropouts.

Interim findings from Project Redirection show that dropouts--even those facing the heavy demands of pregnancy and parenting--will return to school if adequate support services are available. While Project Redirection teens were less likely than comparison group teens to be in or have completed school prior to the program, they reversed that trend once enrolled. Thirty-two percent more of the participants than comparison group teens were either enrolled in or had completed and educational program 12 months after entering the program. Among teens who were dropouts at program start-up, more than twice as many had resumed their education.

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* Project Redirecion - Interim Report, by Alvia Branch, et al., MDRC, New York, 1981.

Summary: The Process of Promoting Coordination Between Schools and Employment and Training Agencies

More than five years of experience in implementing YEDPA funded programs has provided some clear ideas about what kinds of program models are or are not likely to succeed in specific contexts. However, many of the most useful lessons that have emerged from an analysis of this history pertain less to the models than to the processes by which they were implemented.

The wide variation of efforts to promote CETA-school coordination and the differences in the contexts in which they took place make it difficult to draw generalizations about the factors that tend to promote or retard the process. However, review of the published and unpublished literature--including case studies that chronicle these efforts at individual sites--suggests that a number of useful lessons have in fact been learned. A review of the information contained in several case studies conducted especially for this project, for example, reveals that:*

- Collaboration is easier to achieve when there is a previous history of efforts to coordinate (not to mention a history of success in this regard). Thus, for example, St. Paul's decades of experience with alternative schools paved the way for greater collaboration and introduction of new programming under YEDPA

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* The case studies are available from Brandeis University and cover YEDPA experience in six cities.

- The pre-existing political structure of a jurisdiction is a critical factor in efforts to promote collaboration. The successes experienced in Baltimore in this regard are, in large part, a reflection of the fact that a single elected official had direct authority over both the CETA and local education agencies. The difficulties experienced in the Seattle area have resulted, in large part, from the profusion of independent school districts that CETA officials had to negotiate with.
- Federal funding can promote collaboration and new programming, for example, in alternative schools, but it does not guarantee continuation of the programming should the funding be withdrawn. Sharp reductions were experienced by apparently successful alternative school programs in St. Paul, Baltimore, King County (Seattle) and Hartford during the period of time in which YEDPA funding was sharply cut back.
- Efforts to promote collaboration and alternative schooling programs tend to be more likely to become institutionalized when they have a variety of funding sources. This point is evident in the comparison of the alternative schooling programs in Chicago with those in the other cities referenced above.
- Efforts to promote collaboration and innovative programming are more likely to be institutionalized if they grow out of locally felt needs than if they are responses to federal initiatives. This point is also made in the analysis of the staying power of the alternative school system in Chicago.
- The Brandeis University/Team Associates Study (1981) provides three other insights about the organizational arrangements that promote

success in efforts to improve coordination: First, delegating the day to day responsibility for promotion of collaboration to officials who have the time and the authority to pursue it actively, i.e., responsibility cannot be left with Prime Sponsor Director and school superintendents. Second, those promoting collaboration must have direct access to those with final decision-making authority. Third, there is the need to continually nourish collaborative agreements once entered into. The YEDPA record is full of examples of promising beginnings which failed to grow (or even fell apart) due to inability to resolve underlying differences between school and CETA officials.

Many of these conclusions are nicely summarized by John Walsh in his 1982 synthesis of YEDPA collaborative efforts:

> It all boils down to this: where there are people who want to collaborate, local conditions, history, and legislative and administrative barriers may inhibit collaboration, but they do not prevent it.
>
> Where people do not want to collaborate, the most favorable conditions will not suffice to get things started.

3.0 Increased Involvement of the Private Sector

Increased involvement of the private sector became the watchword of employment and training programs in the late 1970s and 1980s. Despite a good deal of rhetoric on this topic and the emergence of a case-study oriented literature, it is difficult to draw firm conclusions about the scope and stability of private sector involvement from YEDPA to JTPA.

Several studies of efforts to promote linkages between YEDPA funded programs and private employers state or imply that CETA's progress in this activity has been limited. For example, the National Council on Employment Policy funded study "Youth and Local Employment Agenda" (Wurzberg, 1980) indicated that many so-called private sector involvement programs contained little more than rhetoric that addressed ultimate objectives. Such programs had, in general, provided little in the way of tangible incentives to promote collaboration, and few (if any) specific mechanisms designed to promote coordination. In particular, the Wurzburg study concluded that direct efforts to promote ties with local private sector employers were a much less powerful determinant of private sector hiring than were local labor market conditions.

The YEDPA demonstration projects (including the Youth Incentive Employment Pilot Program) gave new flexibility to Prime Sponsors, but in many instances this flexibility merely underlined the importance of the barriers to collaboration rather than overcoming them. Perhaps the most notable of the findings from this experience is that there are powerful limits to the ability of any financial subsidy to overcome the reluctance of employers to hire disadvantaged youth. It is striking that even 100% wage subsidies are not often sufficient to overcome this reluctance, as was illustrated both by YIEPP and the Private Sector Initiative Program (Title 7 of CETA). Fewer than one in five YIEPP employers in Detroit and Baltimore accepted youth with a 100% subsidy; when the subsidy dropped to 50%, the proportion of employers accepting youth dropped to under 5%. Overall, the wage subsidies in YIEPP led to 6000 firms providing jobs to poor youth, but this was still only 55 percent of all YIEPP worksites. Together, private firms accounted for only 20 percent of the job hours worked by YIEPP participants.

Initial assessments of the Private Sector Initiative Program (PSIP) (Title 7 of CETA) indicate that the record of the program was mixed in terms of attracting participation of private businesses. An in-house Department of Labor report on private sector involvement in employment and training programs put it this way:

> PSIP is both working and not working in terms of increasing business participation in employment and training programs...
>
> The importance of the business participation that has been stimulated also presents a mixed picture: is some sites the participation that has been generated in employment and training programs is believed to be very important or moderately important, but in other sites little or no importance is attached to the existence and types of business participation stimulated by PSIP.*

As noted, the Youth Incentive Entitlement Pilot Projects were a major vehicle for involvement of private sector firms as employers of YEDPA participants and/or terminees. Analysis of the results of the YIEPP experience are mixed. On the one hand, it is now clear that there exists a substantial number of private sector employers who are willing to take a chance on hiring disadvantaged YEDPA program participants. However, the YIEPP experience also suggests that there are real limits upon what can be reasonably expected in the way of participation of private sector firms as employers of YEDPA participants and terminees.

In particular, it seems clear that the employers willing to take a chance on YEDPA youth were not a typical cross-section of American business. Instead, they tended to be small firms; 40% in YIEPP had fewer than five full time employees. Thus, many of the firms volunteering to participate in YIEPP were small businesses who sponsored only one youth at a time. As a result, such firms made up 55% of all YIEPP work sponsors, but accounted, as noted earlier, for only 20% of the total job hours worked by program participants.

In general, the experience of private employers with YIEPP participants appears to have been a positive one.

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* "Private Sector Involvement in Employment and Training Programs--The Bottom Line." In-house review by the U.S. Department of Labor, Employment and Training Administration, Office of Policy Review and Analysis, Washington, DC, 1982.

- Of the 513 private employers participating in September 1979, 68 percent still had youths working for them in May of 1980. An additional 19 percent indicated that, while they did not have any youths currently assigned, they were willing and interested in sponsoring more.
- Over half of the employers interviewed requested replacements when youths graduated or left the program.
- On an annual basis, only 17 percent of the private firms involved with the program chose to cease participation.

Most importantly, one-fifth of the businesses surveyed subsequently hired participating youths when they left the program or graduated from school.

The Private Sector as Planners

It is now widely believed that greater involvement of private firms in the planning of employment and training programs for disadvantaged youth and others will, in turn, lead to a greater likelihood that program terminees will be hired by such businesses. The Jobs Training Program Act calls for direct private sector involvement in employment and training programs. One of the challenges for program operators under JTPA will be to encourage private sector participation at reduced subsidy levels through "tryout employment" for up to 250 hours. The expectation is that, while JTPA funds will pay the youth during this period, employers will hire the participant in an unsubsidized job at the end of that period. At the planning level, the invigorated role of Private Industry Councils (PICs) under JTPA is aimed at strengthening the role of the private sector in planning services for poor youth. It is hoped that the co-planning will lead to more employment of poor youth.

The limited YEDPA experience to date does not provide data that overwhelmingly confirms or rejects this expectation. For example, a survey of PIC members under Title VII of CETA found that:

> Most of the businessmen who sit on PIC boards do not have their companies involved in training programs in any way, shape or form. The ones who do the hiring are almost always small businesses who are hard-pressed for semi-skilled workers, or sometimes just for warm bodies.*

However, there is scattered evidence that serving as worksites does result in increases in employer willingness to hire program youth. Data to support this conclusion were obtained from a survey of employers in the New Careers Pathways projects conducted by the Corporation for Public Private Ventures. Forty-four percent of 112 employers surveyed said that their involvement in the program made them "more willing" to hire youth. Similarly, the data cited earlier from Entitlement leads to the same conclusion of "familiarity breeds contentment, not contempt."**

Finally, it is important to recognize in this discussion that many private sector initiatives were made possible by funding from the Department of Labor's Office of Youth Programs which, in turn, provided third parties to act as brokers in bringing businessmen into the process. For example, YEDPA funding was central to many of the most widely publicized efforts to promote "partnerships" between business and the schools. The role of CETA monies in two illustrative private sector youth initiatives in this regard can be summarized as follows:

- The Detroit Pre-Employment Training Program, a collaboration of the Detroit Public Schools and a number of large firms that has been operated by 70001, Ltd, a private non-profit Washington-based organization which manages 55 different training programs in 21 states. More than 80% of the programs' 1981 funding came from CETA.

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* Ibid.

**New Career Pathways, Corporation for Public/Private Ventures, Philadelphia, PA, May 1980.

- Jobs for Delaware Graduates, a collaboration of the state high school system and a non-profit organization, received significant Department of Labor funding in its early years. The job organization has developed agreements with more than 1000 firms in the state to offer employment opportunities to program participants.

Clearly, the key lesson that stands out is that there is no one best way to develop and carry out this kind of private sector involvement in youth programming. No one approach will work everywhere. Local conditions, local populations, and local needs must be considered. The programs themselves may be initiated and operated by business, education, or third parties. The actual activities may occur in the schools; on the job; in space provided by business; or in a separate facility altogether. Finally, the collaborators must be willing to experiment and adapt to changing conditions.*

A related lesson directly parallels the conclusion reached in the previously presented discussion of school-CETA collaboration, that patience is needed, and that it is unrealistic to expect drastic changes to come about quickly or smoothly.

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* Let's Not Reinvent the Wheel: Profiles of School/Business Collaboration, Institute for Educational Leadership, Washington, DC, 1982.

4.0 Improving the Flexibility to Respond to Young People's Employment Needs

The initial passage of CETA was based on an impetus to promote decentralization and decategorization of manpower programs. Although CETA programs were clearly decentralized, by 1978, the CETA system included a wide variety of categorical programs, many of which were serving youth. Therefore, in 1978, the Department of Labor funded a Consolidated Youth Employment Demonstration Project at eight sites that attempted to reconsolidate YETP, YCIP, SYEP and Title II BC into a single comprehensive planning and delivery system. The program was expanded to 13 sites in the following year.

Many of the concepts that are now being implemented under JTPA were pilot tested under CYEP including the emphasis on certification of competencies as a tool in holding programs accountable to clients and funding agencies. It was intended that the credentialing process associated with documentation of competencies would provide employers with a more concrete discussion of the qualifications of youthful job applicants, thereby increasing the likelihood that they could be hired.

As was the case for many of the YEDPA funded activities, the history of CYEP reveals some progress in developing new approaches and a deeper understanding of how hard it is to achieve ultimate program objectives.*

The achievements of CYEP include:

- Demonstrating that Prime Sponsors can respond to opportunities to be flexible;
- Providing useful experience in implementing the concepts of credentialing and benchmarks (now embedded in JTPA's youth performance standards);

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* Knowledge Development Report 9.1, CYEP and Early Planning Implementation. Additional reports published by the Technical Assistance and Training Corporation are available from U.S. Department of Labor, 1980-1982.

o Upgrading and increasing the use of assessment, i.e., better matching of work assignments with participants goals and attitudes.

However, the most fundamental lesson of CYEP appears to be how hard it is to translate an obviously attractive concept into a functioning program at the local level, and how unrealistic it is to expect basic changes to occur either rapidly or without trial-and-error and extensive federal technical assistance. Specific findings that support this conclusions include:

o CYEP did not result in a major change in the allocation of funds to programmatic activities or subguarantees.

o Prime Sponsors did not develop the kind of continuum of service contemplated by those who designed the demonstration, and instead assigned youth to specific services without plans for what kinds of service would most appropriately follow.

o The CYEP Employability Plan and record system did not differ materially from the Employability Development Plans that they were designed to replace. The hoped for linkages between employability development and benchmarking were slow to emerge.

o The process of developing appropriate benchmarks and performance standards was slow and difficult, and was often hampered by lack of technical expertise.

o The hoped for reduction in paperwork did not materialize.

o There were only limited linkages between CYEP and related CETA and non-CETA activities.

The barriers to translation of concepts into action programs are well illustrated by the following two excerpts from the TATC report and a quotation from a CYEP administrator. The report concluded that:

> While some CYEP concepts were implemented at all sites, no site was able to institute a complete design during the course of the demonstration...
>
> Most CYEP sites did not provide youth with the full range of services envisioned for CYEP. While eighteen distinct units of service had been defined, the majority of enrollments. . .took place only in two units of service--work experience and work experience coupled with pre-employment experience.

The planner described his initial exposure this way:

> Originally we didn't even know how to approach the planning concept of CYEP. It changed the whole idea of how you allocate your financial resources to meet local needs...
>
> We've been implementing it (CYEP) in stages. . .It's hard to find adequate time for staff training. . .It winds up being a couple of weeks of training rather than a couple of days, so time is a problem.

It is noteworthy that TATC found that the second group of sites to implement CYEP "fared better" than the first group, in large part because they benefitted from the trial and error efforts to clarify key program concepts by the first year sites, and because technical assistance was offered in an organized way. The latter will likely prove a key element in the success of JTPA youth programs, with its greater emphasis than CETA on local (and presumably consolidated) programs.

5.0 Involving Youth in YEDPA Planning and Service Delivery

The YEDPA experience with involvement of youth in roles other than recipient of services has been sporadic at best, and the results extremely limited. For example, the Youth Councils that were a key element of the Consolidated Youth Employment Program experienced many difficulties in carrying out the monitoring and evaluating roles that were planned for them, in large part because of difficulties in specifying the kinds of roles that would be appropriate for them to play. At minimum, YEDPA has demonstrated that if such efforts are to bear fruit, more sustained effort is needed than has been put forth in the past.

A number of other YEDPA activities sought to poll young people's views on a variety of topics relating to employment and training.* This effort was not very successful both due to a lack of consistent interest on the part of youth and to the less than serious receptivity among prime sponsors to young representatives on planning councils. Over time, involving youth in the programming of activities may be feasible but will require more effort and attention than practitioners have been able to devote.

The 1983 review of the YEDPA literature conducted by John Walsh noted that no conclusions could be drawn about the desirability of involving youth in running employment and training programs because there was so little experience with this approach:

> There is little or no empirical evidence regarding the utility of youth involvement in the administration, design and operation of employment and training programs, but this may be because few projects have attempted to obtain such involvement.
>
> It remains a theory in some circles that the assignment of program responsibilities to participants can enhance projects, and there is some isolated evidence that this is true.
>
> The problem is that it just wasn't tried in connection with most of the exemplary projects funded. (p. 30)

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* See the unpublished National Urban League report on the National Youth Participant Observer Committee (DOL/OYP). See, also, the National Urban Coalition project on Youth Perspectives of Employment Development Programs. U.S. Department of Labor, ETA, Washington, DC, 1978-1980.

6.0. Summary

A review of the material contained in this chapter shows that many of the lessons that have been learned apply in more than one context. These general lessons include:

- The difficulty in changing institutions, and the resulting need to be patient.
- The need to tailor efforts to promote collaboration to local circumstances and to avoid generalized approaches and rules of thumb.

The Jobs Training Partnership Act is designed to give local communities considerable discretion in determining services as well as in shaping the local delivery system. The system departs from CETA by eliminating much of the "top-down" federal approach via incentives and regulations. It remains to be seen whether communities, if left to their own devices, will promote institutional collaboration and forge genuine partnerships. Our review shows the need to be patient when considering the change process. This is not likely to be welcome advice to either policymakers or disadvantaged youth. The former have consistently overhauled the American employment and training system every decade in search of a workable system, trying to blend local needs with federal priorities. As for disadvantaged youths, their patience has always been in plentiful supply. They lack only job opportunities and preparation for the world-of-work. Surely, the nation owes them a stable, secure employment and training system to fulfill their needs and dreams.